United States Court of Appeals

for the Second Circuit

APPENDIX

74-2591

United States Court of Appeals

for the Second Circuit

74-2591

ALBERT KAUFMANN,

Plaintiff-Appellant,

against

MARY WELLS LAWRENCE, CHARLES MOSS, RICHARD T. O'REILLY, JOHN V. BURNS, FRANK G. COLNAR, FREDERICK L. JACOBS, BARRY E. LOUGHRANE, MARTIN STERN, STANLEY G. DRAGOTI, CATHARINE GIBSON, E. DONALD CHALLIS and WELLS, RICH, GREENE, INC.,

Defendants-Appellees,

and

WARREN J. KRATKY, ARNOLD M. GRANT, TROY V. POST and EMILIO PUCCI,

Defendants.

ON APPEAL FROM THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK

JOINT APPENDIX—PART I
VOLUME I

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UNITED STATES COURT OF APPEALS
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SECOND CIRCUIT

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Relevant Docket Entries

74 CV. 5781

PROCEEDINGS	Date Of Judgment
Nov 19,1974 Filed complaint and issued summons.	
Nov 19-74 Filed affdvt. and order appointing process server. - Clerk.	
Nov-22-74 Filed plaintiff's memorandum in support of motion for T.R.O. and preliminary injunction.	
Nov-22-74 Filed pltf's affdvt. and order to show cause why an order should not be made granting T.R.O. against defendants and a preliminary injunction - service of O.S.C. by 11-21-74 at 5 P.M. - ret. 11-25-74 at 9:30 A.M. (all in one brown folder)	
Nov-25-74 Filed memo endorsed on above O.S.C.: Hearing held on Order to show cause and concluded. A preliminary injunction will be issued against defendants and will go into effect at 5 P.M. today Nov-25-74. No bond is to be posted. So ordered. - Carter, J. m/n	
Nov-25-74 Filed order that defendants, pending this Court's determination with respect to plaintiff's motion for a preliminary injunction, are hereby restrained as indicated. m/n	
Dec- 2-74 Filed OPINION #41527...for reasons stated herein, the motion for preliminary injunction is denied, and the restraining order heretofore entered is vacated. It is so ordered. - Carter, J.	
Dec- 4-74 Filed defendants affdvt. of Robert J. Sisk in opposition to pltf's motion for a preliminary injunction. (received from chambers)	
Dec- 4-74 Filed defendants memorandum in opposition to motion for preliminary injunction (received from chambers)	
Dec 5-74 Filed Transcript of record of proceedings, dated Nov 25-74	
Dec- 6-74 Filed plaintiff's notice of appeal to the USCA for the 2nd Circuit from order denying plaintiff's motion for a preliminary injunction. copy mailed to Hughes Hubbard & Reed, Esqs.	
Dec- 6-74 Filed affidavits of service by process server - served: Summons attached! Mary Wells Lawrence by Stanley J. Hopel, Esq. on 11-19-74 Charles Moss by Stanley J. Hopel, Esq. on 11-19-74 Richard T. Reilly by Stanley J. Hopel, Esq. on 11-19-74 John V. Burns by Stanley J. Hopel, Esq. on 11-19-74 Frank G. Colnar by Stanley J. Hopel on 11-19-74 Frederick L. Jacobs, Esq. by Stanley J. Hopel, Esq. on 11-19-74 Barry E. Loughrane by Stanley J. Hopel on 11-19-74 Martin Stern by Stanley J. Hopel on 11-19-74 Stanley G. Dragoti by Stanley J. Hopel, Esq. on 11-19-74 ~~Emilio Puccini by Stanley J. Hopel, Esq. on 11-19-74~~ Catharine Gibson by Stanley J. Hopel, Esq. on 11-19-74 E. Donald Challis on 11-19-74 by Stanley J. Hopel, Esq. Wells, Rich, Greene, Inc. by Stanley J. Hopel, Esq. on 11-19-74	
Dec- 6-74 Filed plaintiff's notice to produce	
Dec 10-74 Filed stipulation designating exhibits to be transmitted to the U.S.C.A.	
Dec 12-74 Filed envelope with transcript pages 117, 133 & 135A .. Ordered sealed by the court. Carter J.	

A TRUE COPY
RAYMOND F. BURGHARDT, Clerk

BY _____
Deputy Clerk

Complaint

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

- -x

ALBERT KAUFMANN,

Plaintiff,

-against-

MARY WELLS LAWRENCE, CHARLES MOSS, RICHARD T. O'REILLY, JOHN V. BURNS, FRANK G. COLNAR, FREDERICK L. JACOBS, BARRY E. LOUGHRANE, MARTIN STERN, STANLEY G. DRAGOTI, WARREN J. KRATKY, ARNOLD M. GRANT, TROY V. POST, EMILIO PUCCI, CATHARINE GIBSON, E. DONALD CHALLIS and WELLS, RICH, GREENE, INC.,

Defendants.

- -x

74 Civ. 5081 (RLC)

COMPLAINT

CLASS ACTION

Plaintiff above named, complaining of the defendants, respectfully alleges upon information and belief except as to the allegations contained in paragraphs "4" and "6" hereof which are alleged upon knowledge, as follows:

JURISDICTION AND VENUE

1. This action arises out of violations of Sections 10(b) and 14(e) of the Securities Exchange Act of 1934 ("Exchange Act"), 15 U.S.C. Sections 78j(b) and 78(e), and Rule 10b-5 promulgated thereunder by the Securities and Exchange Commission; and common law principles.

2. This Court has jurisdiction under Section 27 of the Exchange Act, 15 U.S.C. Section 78aa; and under principles of pendant jurisdiction.

3. Some of the acts and transactions complained of herein occurred within the Southern District of New York.

4. This action is not brought collusively to confer jurisdiction on a Court of the United States which it would not otherwise have.

5. Substantially all of the defendants reside or engage in business within the Southern District of New York. The defendant Wells, Rich, Greene, Inc. ("WRG Inc.") maintains its principal offices within the Southern District of New York.

THE PARTIES

6. The plaintiff is the owner and holder of Common Stock of the defendant WRG Inc. The plaintiff purchased 100 shares of the Common Stock of WRG Inc. on March 8, 1974 and has continuously held said shares up to and including the present time.

7. The defendant WRG Inc. is a New York corporation. Its principal offices are located at 767 Fifth Avenue, New York City. WRG Inc. is a full service advertising agency. It proposes advertising programs for its clients; writes and produces television and radio commercials; writes, designs, and illustrates advertising for printed media; contracts for advertising time and space; and arranges for timely distribution of advertising materials to the media for broadcast or publication. In addition, through subsidiaries, it offers specialized advertising services under the modular advertising concept; and produces low-budget motion pictures for theatre and television. The revenues of

WRG Inc. are principally derived from commissions earned for placing advertising with various media, commissions for production work done by independent contractors, special charges for production work performed by its personnel, and fees for special services.

8. As of August 31, 1974, 5,000,000 shares of Common Stock were authorized of which 1,631,858 shares wereissued and outstanding. The Common Stock of WRG Inc. is listed and traded on the New York Stock Exchange and, except for the 265,052 shares of Common Stock owned by its directors and officers, the balance of 1,366,806 shares of the Common Stock is widely held by common stockholders of WRG Inc. dispersed throughout the United States and abroad.

9. (a) The individual defendants herein are directors and/or officers of WRG Inc.

(b) The individual defendants Mary Wells Lawrence ("Lawrence"), Charles Moss, Richard T. O'Reilly, John V. Burns, Frank G. Colnar, Frederick L. Jacobs, Martin Stern, Stanley G. Dragoti, Warren J. Kratky, Arnold M. Grant, Troy V. Post and Emilio Pucci are directors of WRG Inc. and they consititute its Board of Directors.

(c) The following individual defendants are officers of WRG Inc.: Lawrence - Chairman of the Board of Directors and Chief Executive Officer; Charles Moss - President; Richard T. O'Reilly - Vice Chairman of the Board of Directors; John V. Burns - Executive Vice President - Marketing; Frederick L. Jacobs - Executive Vice President - Administration, Secretary and Treasurer; Barry E. Loughrane - Executive Vice President - Managing Director, Gardner Division; Martin Stern - Executive Vice President - Sales Director; Catharine Gibson - Vice President; E. Donald Challis - Vice President.

10. (a) As of September 1, 1974, the defendant directors of WRG Inc. owned and still own an aggregate of 226,850 shares (or approximately 13.9%) of the Common Stock of WRG Inc. of which the defendant Lawrence owned and still owns 115,000 shares.

(b) At all pertinent times herein, Lawrence through her chief executive positions and effective working control of WRG Inc., has dominated and controlled and still dominates and controls the corporate, business and financial policies and affairs of WRG Inc.

11. WRG Inc. reported on a consolidated basis as of the fiscal year-end October 31, 1973, total assets of $36,382,714, of which total current assets amounted to $26,087,117. It reported for said fiscal year total liabilities of $20,915,659, of which total current liabilities amounted to $18,583,963. Its long-term debt consisted solely of installment notes payable in the amount of $407,483. Its total stockholders' equity amounted to $15,467,055.

12. WRG Inc. reported as of August 31, 1974 (as of the end of the ten (10) months in its 1974 fiscal year) total assets of $35,899,135, of which total current assets amounted to $25,675,213. It reported total liabilities of $18,871,136, of which total current liabilities amounted to $16,960,705. Its long-term debt consisted solely of installment notes payable in the amount of $336,724. It reported total stockholders' equity of $17,027,999.

13. WRG Inc. reported on a consolidated basis the following comparative consolidated income figures for the respective five fiscal years ended October 31, 1969 through October 31, 1973 and for the ten (10) months ended August 31, 1974:

Fiscal Year Ended Oct. 31	Gross Billings	Total Revenues	Net Income
1969	$ 77,371,000	$ 11,751,285	$ 1,586,735
1970	91,589,000	13,920,452	1,978,470
1971	108,008,000	16,249,176	2,619,006
1972	114,932,000	17,388,491	3,009,863
1973	185,250,000	28,474,744	3,375,077
10 mos. ended Aug. 31, 1974	152,747,000	23,301,973	2,388,561
10 mos. ended Aug. 31, 1973	147,995,000	22,649,495	2,360,925

CLASS ACTION ALLEGATIONS

14. (A) The plaintiff brings this action as a class action against the defendants herein, pursuant to Rule 23(b)(1), (2), and (3) of the Federal Rules of Civil Procedure.

(B) The Class consists of the plaintiff and all other common stockholders of WRG Inc., similarly situated. Excluded from the Class are the individual defendants and members of the immediate family of each of the individual defendants, and other officers of WRG Inc. who own Common Stock of WRG Inc.

(C) The members of the Class are so numerous that joinder of all members is impracticable. WRG Inc. has more than 2,100 common stockholders located throughout the United States and in foreign countries.

(D) There are questions of law and fact involved herein which are common to the Class and which predominate over any questions affecting individual members of the Class. The common questions of law and fact include the questions whether Sections 10(b) and 14(e) of the Exchange Act and Rule 10b-5 have been

violated; whether the defendants have perpetrated and are continuing to perpetrate devices, schemes and artifices to defraud the public common stockholders of WRG Inc., and have made materially false and misleading statements and have omitted material facts, and have engaged and are continuing to engage in acts, practices and a course of business conduct which is operating as a fraud and deceit upon the plaintiff and other members of the Class, in relation to the Exchange Offer of WRG Inc. to acquire all of its outstanding Common Stock except the shares of Common Stock owned by the defendant directors of WRG Inc.; whether the terms of the said proposed Exchange Offer are unfair and unreasonable and constitute a breach of fiduciary and common law obligations owed by the defendants to the members of the Class; the mode of relief to which the Class is entitled, including injunctive and other equitable relief, and damages, and the measure of damages.

(E) Plaintiff will fairly and adequately protect the interest of the Class; he is a member of the Class and his claims are typical of the claims of all class members. Plaintiff does not have interests antagonistic or in conflict with those he represents.

(F) The prosecution of separate actions would create the risk of inconsistent or varying adjudications with respect to individual members of the Class which would establish incompatible standards of conduct for the defendants; and would create the risk of adjudications with respect to individual members of the Class which would as a practical matter be dispositive of the interest of the other members not parties to the adjudications or would substantially impair or impede their ability to protect their interests.

(G) A class action is superior to other available methods for the fair and efficient adjudication of the claims made herein.

(H) This Court is the appropriate forum for an adjudication of the class claims. The headquarters of the corporate defendant WRG Inc. and its pertinent books and records are located in the Southern District of New York. A substantial number of the individual defendants reside or engage in business in the Southern District of New York, and the convenience of witnesses favors this forum.

FIRST COUNT - CLASS CLAIM
AGAINST ALL DEFENDANTS

15. This Count is brought by the plaintiff on behalf of himself and all other members of the Class against all the defendants.

16. This Count arises under Sections 10(b) and 14(e) of the Exchange Act and Rule 10b-5, and common law principles.

17. During 1974, and prior to September 4, 1974, and continuing up to and including the present time, and threatening to continue hereafter, the defendants herein acting in concert among themselves have engaged and participated in and are continuing to engage and participate in the fraudulent, illegal, and wrongful acts and transactions hereinafter alleged, to the damage and injury of the plaintiff and all other public common stockholders of WRG Inc.; and in connection with purchases and threatened purchases by WRG Inc. from its public common stockholders and the forced sale and threatened forced sale to WRG Inc. by its public

dants, as follows:

stockholders of shares of Common Stock of WRG Inc., the said defendants by the means and instrumentalities of interstate commerce and the mails:

(a) employed and are continuing to employ devices, schemes and artifices to defraud;

(b) made and are continuing to make untrue statements and representations of fact and omitted and are continuing to omit to state material facts necessary in order to make the statements and representations made in the light of the circumstances under which they were made, not false and misleading; and

(c) engaged and are continuing to engage in acts, practices and a course of business conduct which operated and is continuing to operate as a fraud and deceit upon the public common stockholders of WRG Inc.

18. During 1974, and prior to September 4, 1974, the defendants devised a plan and scheme to fraudulently, illegally, and wrongfully eliminate entirely the public as common stockholders of WRG Inc. and to make said corporation a private preserve for the defendant directors herein, all for the personal benefit and aggrandizement of the individual defendants herein and certain other officers owning Common Stock of WRG Inc.; whereby for no proper or legal corporate business purpose, all the public common stockholders (presently owning approximately 83.5% of the outstanding Common Stock of WRG Inc.) would be forced to sell their shares of said Common Stock to WRG Inc. either (1) by tender of said shares to WRG Inc. under an Exchange Offer for cash and WRG Debentures having a value substantially below the true value of the Common Stock of WRG Inc., or (2) as to any public common stockholders who do not

tender their shares under the Exchange Offer, by forced sale at artificially low prices, after expiration ofthe Exchange Offer and the delisting of the Common Stock from the New York Stock Exchange and the cessation of a viable public market for the Common Stock. The defendants herein have conspired and acted in concert to carry out the said plan and scheme having the following objectives and purposes, among others:

(1) to forceably and wrongfully deprive the public common stockholders of WRG Inc. from continuing their interests as stockholders and majority owners of WRG Inc. and from participating in the growth of WRG Inc. which has annually reported a progressive increase in revenues and earnings;

(2) to wrongfully effect 100%, or at least initially 66-2/3%, ownership of WRG Inc. by the defendants Lawrence and the other defendant directors of WRG Inc., who presently own 13.9% of the outstanding Common Stock;

(3) to wrongfully increase the percentage of ownership of the outstanding Common Stock of WRG Inc. by the defendant Lawrence from 7% at the present time to at least 50.6%;

(4) to wrongfully increase the earnings per share and the book value per share attributable to the Common Stock of WRG Inc. owned by the defendant directors, at the expense and to the detriment of the public stockholders of WRG Inc.;

(5) to wrongfully advantage the defendant directors by causing WRG Inc. to purchase the shares of Common Stock owned by the public common stockholders at a price substantially below book value and the intrinsic value of the Common Stock of WRG Inc.;

(6) to wrongfully cause the delisting of the Common Stock of WRG Inc. from the New York Stock Exchange;

(7) to wrongfully eliminate a viable market for the Common Stock of WRG Inc.;

(8) to wrongfully eliminate and thereby deprive the public stockholders of the protection afforded to them by the present requirement that management of WRG Inc. solicit proxies from stockholders of WRG Inc. pursuant to Notice and proxy statement in compliance with the Proxy Rules of the Securities and Exchange Commission ("SEC");

(9) to wrongfully eliminate and thereby deprive the public stockholders of WRG Inc. of the protection and disclosure afforded to them by the requirements that WRG Inc. file with the SEC and the New York Stock Exchange current, quarterly, and annual reports, and changes in stock ownership, and other documents, in accordance with the Exchange Act and the Rules and Regulations of the SEC;

(10) to wrongfully advantage officers of WRG Inc. who are not directors of WRG Inc., in that pursuant to the said plan and scheme the 38,202 shares of Common Stock owned by said officers will be subsequently purchased by WRG Inc. at a price substantially higher than the offering price to the public stockholders under the Exchange Offer;

(11) to wrongfully increase the salaries and other remuneration and emoluments of officers of WRG Inc., notwithstanding that their present compensation is substantial; and

(12) to wrongfully gain for the defendant directors of WRG Inc. at least 66-2/3% voting control of WRG Inc., so that

they can, as they intend to do in the event all shares of Common Stock owned by the public are not tendered under the Exchange Offer, force the retirement of the balance of Common Stock held by the public stockholders.

19. Pursuant to the said plan and scheme, the defendants publicly announced after the market close on September 4, 1974, that the Board of Directors of WRG Inc. had approved an exchange offer whereby WRG Inc. would accept up to 1,405,008 shares of its Common Stock (all outstanding shares except the shares owned by the directors of WRG Inc.), on the basis of $3. in cash and $8. principal amount of WRG 10-year 10% subordinated debentures.

20. In furtherance of the said plan and scheme, the Exchange Offer of WRG Inc. became effective on November 4, 1974, and through a Prospectus, dated November 4, 1974 ("WRG Prospectus") and other solicitation material, the defendants herein thereupon commenced and are continuing to solicit the public common stockholders of WRG Inc. to tender their shares of Common Stock thereunder.

21. By the means and instrumentalities of interstate commerce and the use of the mails, and in connection with the Exchange Offer and the rquest and invitation for tenders, and the solicitation of the public common stockholders in favor of the Exchange Offer, request and invitation for tenders, the defendants (a) have made and are continuing to make untrue statements of material fact, (b) have omitted and are continuing to omit to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, and (c) have engaged and are continuing to engage in fraudulent, deceptive and manipulative acts and practices.

22. (a) Under the terms of the Exchange Offer, WRG Inc. offers to purchase a maximum of 1,405,008 shares of its Common Stock, on the basis of $3. cash and $8. principal amount of its new 10% Subordinated Sinking Fund Debentures due November 1, 1984 ("WRG Debentures") for each Common snare tendered. The said 1,405,008 shares of Common Stock represent all the outstanding Common Stock of WRG Inc. (its only present equity security outstanding) other than the 226,850 shares thereof owned by the defendant directors who have agreed not to participate in the Exchange Offer. The Exchange Offer expires on November 25, 1974, at 5 P.M., New York City time, unless extended. No tendered shares may be withdrawn and all tenders became irrevocable after 5 P.M., New York City time, on November 12, 1974. Transfers of record of tendered shares will not be made before November 25, 1974; and until said date, ownership of tendered shares of Common Stock will remain in the tendering holders unimpaired except for the right of WRG Inc. to acquire the ownership thereof under the Exchange Offer as of November 25, 1974. White, Weld & Co. Incorporated ("White, Weld") is the Dealer Manager of the Exchange Offer, and The Chase Manhattan Bank, N.A. ("Chase") is the Exchange Agent.

(b) The WRG Debentures are to be issued under an Indenture to be dated as of November 1, 1974 between WRG and Chase, as Indenture Trustee. The Debentures would be unsecured obligations of WRG Inc., limited to an aggregate principal amount of $11,240,064; would mature on November 1, 1984; and would bear interest from November 1, 1974 at 10% per annum. The payment of principal and interest thereon would be subordinated in right of payment to the prior payment of all senior debt and would be subject to the existence of

surplus and the solvency of WRG Inc. at the time of payment. The Debentures would be redeemable at the option of WRG Inc., in whole or in part, at principal amount thereof together with accrued interest to the date fixed for redemption. WRG Inc. would pay into a Sinking Fund on or before November 1 of each of the years 1975 to 1983, inclusive, an amount in cash equal to 10% of the aggregate principal amount of the originally outstanding Debentures, for use by the Indenture Trustee to redeem outstanding Debentures. WRG Inc. would have the right to reduce the cash payment into the Sinking Fund, by depositing Debentures with the Indenture Trustee for cancellation which WRG Inc. would have acquired through redemption or public or private purchases, or otherwise acquired.

23. (a) The aforesaid plan and scheme and the Exchange Offer thereunder are fraudulent, illegal, and highly detrimental and unfair to the public common stockholders of WRG Inc.

(b) As of August 31, 1974, the book value of WRG Inc amounted to $10.42 per Common share. The value of the new WRG Debentures is substantially below par and will trade and is presently being traded on a when-issued basis at a substantial discount. The bid price of the WRG Debentures on a when-issued basis has ranged between $68 - $69. By reason thereof, the value of the offer is approximately $8.44 to $8.52 based on $3. cash and $8. principal amount WRG Debentures (as discounted to $5.44 - $5.52). Based on book value, the offering package is substantially deficient. Book value exceeds the value of the offering package by $1.99 - $1.91, representing a deficiency in the offering of approximately $2,665,000. based on 1,366,806 publicly held shares of Common Stock.

(c) On a pro forma basis, as adjusted, as of August 31, 1974, the book value per share would amount to $14.98 were all 1,405,008 shares tendered under the Exchange Offer, representing an increase of $4.55 per share with respect to the Common shares owned by the defendant directors, or a total of $1,032,167.50 increment to their benefit.

(d) The Exchange Offer is unfair and unconsionably favorable to WRG Inc. and the defendant directors, in the light of the intrinsic value and historical market value of WRG Common Stock, the revenues and earnings of WRG Inc., and the growth trend and other pertinent factors. As hereinabove alleged in paragraph "13" of this Complaint, the growth trend of WRG Inc. has been significant and continuous. From the 1969 fiscal year to the 1973 fiscal year, gross billings have increased from $77,371,000 to $185,250,000, total revenues have increased from $11,751,285 to $28,474,744, and net income has increased from $1,586,735 to $3,375,077. By the end of the year 1973, WRG Inc. had become the 13th largest advertising agency in the United States in terms of gross billings. Management of WRG Inc. reported to the WRG stockholders at the 1973 fiscal year-end that the increases in billings and earnings represented, for the mose part, real growth; and that since the income of WRG Inc. is derived primarily from commissions, WRG Inc. is relatively insulated from the most serious inflationary cost increases. The net income per share of WRG Inc. has increased in each fiscal year, as follows:

Fiscal Year Ended Oct. 31	Net Income - Primary	Net Income - Fully Diluted
1969	$1.02	$1.02
1970	1.25	1.24
1971	1.66	1.63
1972	1.90	1.83
1973	2.08	2.04
10 mos. ended Aug. 31, 1974	1.46	1.46
10 mos. ended Aug. 31, 1973	1.45	1.43

The market price of WRG Common Stock reached a high of $27.875 during its fiscal year ended October 31, 1972, and a high of $21.00 during its fiscal year ended October 31, 1973. Historically, the price - earnings ratio has ranged between 10 to 15 times earnings. The intrinsic and fair value of WRG Common Stock is at least approximately $20.00 per share. By reason thereof, the Exchange Offer represents a deficiency in value of approximately $11.50 per share, or a total deficiency of $15,718,269 based on 1,366,806 publicly held shares of Common Stock.

(e) On a pro forma basis, as adjusted, as of August 31, 1974, the net income per share would amount to $7.06 were all 1,405,008 shares tendered under the Exchange Offer, representing an increase of net income of $5.06 per share with respect to the Common shares owned by the defendant directors, or a total increment to their benefit of $1,147,861.00.

(f) Pursuant to the said plan and scheme, the public stockholders will thereby be forced to sell their Common shares at a price substantially below book value and the intrinsic and fair value of the Common Stock, to their detriment and injury, and to the benefit and gain of the defendant directors; and the defendant directors will reap all the gain and benefit of the future growth and increased earnings of WRG Inc. upon the fraudulent, illegal, and wrongful elimination of the public stockholders of WRG Inc.

(g) The Exchange Offer is grossly unfair and constitutes an attempted appropriation by the defendant directors of the property of the publicly held majority interest, and a breach of fiduciary duties owing by the defendants to the public common stockholders of WRG Inc.

24. The WRG Prospectus pursuant to which the public stockholders of WRG Inc. have been and are continuing to be solicited by the defendants herein to tender their shares of Common Stock under the Exchange Offer is false and misleading, and contains material omissions, as follows:

(a) The Prospectus fails to disclose the true purposes and objectives of the Exchange Offer, and the underlying plan and scheme, as hereinabove alleged in paragraph "18" of this Complaint;

(b) The Prospectus, at page 13, is false and misleading in that there is no disclosure of the following facts:

(1) That the total initial investment made by the defendant Lawrence for 301,000 shares of the Common Stock of WRG Inc. was $30,100.00, or $.10 per share.

(2) That prior to the first public offering of Common Stock of WRG Inc. on October 31, 1968 ("1968 Public Offering") the founders of WRG Inc. and the directors, officers and employees of WRG Inc. had acquired during the period from April 1, 1966 through June 1968, a total of 1,450,600 shares of WRG Inc. at an aggregate cost of $548,680, or an average cost of $.38 per share.

(3) That only 50,000 shares of Common Stock were ever publicly offered by WRG Inc., and those shares were offered by WRG Inc. under the 1968 Public Offering. The directors, officers and employees of WRG Inc. publicly offered 359,900 shares of WRG Common Stock as a secondary offering under the 1968 Public Offering. The offering price was $17.50 per share. The public stockholders who invested in WRG Inc. under the 1968 Public Offering thereby invested a total of $7,173,250. The net proceeds received thereunder by WRG Inc. in the amount of $815,000 were principally applied by the corporation to the use of its then new headquarters at 767 Fifth Avenue, New York City. The selling stockholders under the 1968 Public Offering each sold 25% of the shares of Common Stock then respectively owned by them. The following individual defendants as selling stockholders sold Common shares under the 1968 Public Offering and received net proceeds of $16.30 per share (after underwriting discount of $1.20), as follows:

	Shares Sold	Net Proceeds
Mary Wells Lawrence	75,250	$1,226,575.00
Charles Moss	12,500	203,750.00
John V. Burns	2,500	40,750.00
Frederick L. Jacobs	12,500	203,750.00
Martin Stern	2,500	40,750.00
Stanley G. Dragoti	2,500	40,750.00
Catharine Gibson	1,250	20,375.00

The directors, officers and employees of WRG Inc. constituting the selling stockholders under the 1968 Public Offering received aggregate net proceeds of $5,866,370.00.

(4) That under the second public offering of Common Stock of WRG Inc. on April 19, 1971 ("1971 Public Offering"), the directors, officers and employees on a secondary offering sold a total of 333,739 shares of Common Stock, at an offering price of $21.75 per share. The public stockholders who invested in WRG Inc. under the 1971 Public Offering thereby invested a total of $7,258,823.25. The following individual defendants as selling stockholders sold Common Stock under the 1971 Public Offering and received net proceeds of $20.50 per share (after underwriting discount of $1.25) as follows:

	Shares Sold	Net Proceeds
Mary Wells Lawrence	110,850	$2,272,425.00
Charles Moss	18,750	384,375.00
Richard T. O'Reilly	15,000	307,500.00
John V. Burns	5,000	102,500.00
Frank G. Colnar	12,500	256,250.00
Frederick L. Jacobs	18,750	384,375.00
Martin Stern	3,750	76,875.00
Stanley G. Dragoti	5,000	102,500.00
Catharine Gibson	1,250	25,625.00

The directors, officers and employees of WRG Inc. constituting the selling stockholders under the 1971 Public Offering received aggregate net proceeds of $6,841,649.00.

(c) The Prospectus fails to disclose that during the year 1974, in contemplation of the said plan and scheme, the following defendants purchased shares of Common Stock of WRG Inc. in the open market:

	Shares Purchased	Dates of Purchase
Mary Wells Lawrence	800	January 23, 1974
	200	January 24, 1974
	7,000	February 5, 1974
	400	February 11, 1974
	400	February 12, 1974
	200	February 25, 1974
	700	March 11, 1974
	200	March 12, 1974
	7,500	March 13, 1974
	5,600	March 20, 1974
	7,500	March 22, 1974
	30,500	
Frank G. Colnar	100	July 9, 1974
	200	July 10, 1974
	300	
E. Donald Challis	100	July 11, 1974
Catharine Gibson	1,000	September 5, 1974

(d) The Prospectus fails to disclose that no independent financial expert evaluated the Common Stock of WRG Inc. in connection with the Exchange Offer.

(e) The Prospectus fails to disclose that the book value and the intrinsic and fair value of the Common Stock of WRG Inc. is substantially higher than the value of the purchase price offered under the Exchange Offer.

(f) The Prospectus at page 6 is false and misleading in setting forth the comparative statement of cash dividends for Fiscal Year ended October 31, 1973 at $.80 per share, for the ten months ended August 31, 1973 at $.60 per share, and for the ten months ended August 31, 1974 at $.51 per share. Although the dividends stated therein for the 1973 fiscal year and for the ten months ended August 31, 1973 include the dividend of $.15 with respect to the fourth quarter of the fiscal year ended October 31, 1973, which was declared on November 1, 1973, no comparable inclusion of $.17 per share is made for the ten months ended August 31, 1974 for the dividend of $.17 per share declared on September 4, 1974 and payable on October 11, 1974. The comparable dividend figure for the ten months ended August 31, 1974 was $.68 per share, and not $.51 per share as therein stated.

25. (a) The Common Stock of WRG was listed on the American Stock Exchange in 1970, and trading in the Common Stock commenced on that Exchange on May 11, 1970. Thereafter, in 1971, the Common Stock was listed on the New York Stock Exchange, and trading in the Common Stock commenced on that Exchange on August 17, 1971.

(b) The plaintiff and the other public stockholders of WRG similarly situated purchased Common Stock of WRG Inc. upon the implied representations of WRG Inc. that as a publicly owned corporation it would not at any time directly or indirectly employ any deceptive, fraudulent, illegal or wrongful device, scheme or artifice to deprive the plaintiff and the other public investors of their ownership interest in said corporation, or of the benefits of the listing of the Common Stock on a national securities exchange, or of the protection afforded the public stockholders of WRG Inc.

by the provisions of the Exchange Act and the Rules and Regulations promulgated by the SEC. The plaintiff and the said other public stockholders of WRG Inc. relied upon said implied representations at the time that they respectively purchased shares of Common Stock of WRG Inc.

(c) WRG Inc., through its Exchange Offer and its participation in the said plan and scheme, and contrary to its implied representations is wilfully engaging in deceptive, fraudulent, illegal, and wrongful devices, schemes and artifices to deprive the plaintiff and other public investors of their ownership interest in WRG Inc., of the benefits of the listing of the Common Stock on a national securities exchange, and of the protection afforded to the public stockholders of WRG Inc. by the provisions of the Exchange Act and the Rules and Regulations promulgated thereunder, all to their detriment, damage and injury.

26. The aforesaid plan and scheme, the Exchange Offer devised thereunder, and the aforesaid false and misleading representations constitute a fraud and deceit upon the plaintiff and the other members of the Class, and is continuing to so constitute; and if the Exchange Offer is permitted to be consummated, the plaintiff and the other members of the Class will sustain irreparable damage and injury; and this Court should preliminarily and permanently enjoin the Exchange Offer.

27. By reason of all of the foregoing; the defendants are liable and accountable for all loss and damage sustained and to be sustained by the plaintiff and the other members of the Class, as a result of the aforesaid plan and scheme, the Exchange Offer, and the misrepresentations aforesaid.

WHEREFORE, plaintiff demands judgment against the defendants, as follows:

(1) That this Court declare this action to be a class action pursuant to Rule 23, Federal Rules of Civil Procedure;

(2) That this Court declare invalid and null and void the Exchange Offer and all tenders of shares of Common Stock of WRG Inc. thereunder and all acceptances by WRG Inc. of shares of said Common Stock tendered thereunder;

(3) That this Court enjoin preliminarily and permanently the Exchange Offer, the acceptances by WRG Inc. of any and all shares of Common Stock tendered thereunder, and the exchange of any cash of WRG Inc. and WRG Debentures thereunder;

(4) That this Court direct WRG Inc. to withdraw the Exchange Offer, and to return all shares of Common Stock of WRG Inc. tendered thereunder;

(5) That the defendants herein account to the plaintiff and the other members of the Class for all damage and injury sustained and to be sustained by the Class, as a result of the fraudulent, illegal and wrongful acts and transactions complained of herein.

(6) That this Court grant such other and further relief as may be just and proper in the premises;

(7) That this Court award to the plaintiff costs and disbursements of this action, including reasonable fees to plaintiff's attorneys and accountants.

NEMSER & NEMSER

By _____
A Member of the Firm
Attorneys for Plaintiff
845 Third Avenue
New York, New York 10022
Tel. (212) 355-2255

Plaintiff's Order to Show Cause Dated November 21, 1974, for Temporary Restraining Order and Preliminary Injunction

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

- -x

ALBERT KAUFMANN,

Plaintiff,

-against-

MARY WELLS LAWRENCE, CHARLES MOSS, RICHARD T. O'REILLY, JOHN V. BURNS, FRANK G. COLNAR, FREDERICK L. JACOBS, BARRY E. LOUGHRANE, MARTIN STERN, STANLEY G. DRAGOTI, WARREN J. KRATKY, ARNOLD M. GRANT, TROY V. POST, EMILIO PUCCI, CATHARINE GIBSON, E. DONALD CHALLIS and WELLS, RICH, GREENE, INC.,

Defendants.

74 Civ. 5081 (R.L.C.)

ORDER TO SHOW CAUSE

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Upon the annexed motion and affidavits of Stanley Nemser and Nathan Belfer, respectively sworn to November 20, 1974, with the exhibits attached thereto, and upon the Complaint herein and all the proceedings heretofore had herein, it is

ORDERED, that the defendants show cause before the undersigned in Room 128, at the United States Court House, Foley Square, New York, New York, on November 25, 1974, at 9:30 A.M. or as soon thereafter as counsel can be heard, why an order should not be made herein, pursuant to Rule 65 of the Federal Rules of Civil Procedure,

(a) Granting a temporary restraining order, restraining the defendants from taking any further action (1) to consummate the Exchange Offer of Wells, Rich, Greene, Inc. ("WRG Inc.") to the holders of the Common Stock of WRG Inc., whereunder WRG Inc. is offering to exchange $3. cash and $8. principal amount of its

New 10% Subordinated Sinking Fund Debentures due November 1, 1984 ("WRG Debentures") for each share of said Common Stock tendered, up to a maximum of 1,405,008 shares of said Common Stock (representing all of its outstanding shares of said Common Stock other than the 226,850 shares of said Common Stock owned by members of its Board of Directors); (2) to accept any shares of said Common Stock tendered under and pursuant to the said Exchange Offer; and (3) to exchange any cash of WRG Inc. or any WRG Debentures for any shares of said Common Stock tendered under and pursuant to the Exchange Offer, pending the hearing and determination of the within motion by the plaintiff for a preliminary injunction;

(b) Granting a preliminary injunction, enjoining the defendants from taking any further action to consummate the said Exchange Offer, to accept any shares of Common Stock of WRG Inc. tendered thereunder, and to exchange any cash of WRG Inc. or any WRG Debentures for any shares of said Common Stock tendered thereunder, pending final hearing and determination of this cause; and

(c) Granting such other, further and different relief as this Court may deem just and proper; and it is

FURTHER ORDERED, that service of a copy of this order and of the papers upon which the same is granted on Hughes Hubbard & Reed, Esqs., at One Wall Street, New York, New York, the attorneys for the defendant WRG Inc. herein, on or before 5:00 P.M. on the 21st day of November, 1974, shall be sufficient service of this

order; and that any answering affidavits shall be served by said defendants on Nemser & Nemser, Esqs., attorneys for the plaintiff, at their office at 845 Third Avenue, New York, New York, on or before 9:30 A.M. on the 25th day of November, 1974.

Dated: New York, New York
November 21, 1974

Robert L. Carter

U.S.D.J.

Plaintiff's Motion Dated November 20, 1974, for Temporary Restraining Order and Preliminary Injunction

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

- -x

ALBERT KAUFMANN,

Plaintiff,

-against-

MARY WELLS LAWRENCE, CHARLES MOSS, RICHARD T. O'REILLY, JOHN V. BURNS, FRANK G. COLNAR, FREDERICK L. JACOBS, BARRY E. LOUGHRANE, MARTIN STERN, STANLEY G. DRAGOTI, WARREN J. KRATKY, ARNOLD M. GRANT, TROY V. POST, EMILIO PUCCI, CATHARINE GIBSON, E. DONALD CHALLIS and WELLS, RICH, GREENE, INC.,

Defendants.

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74 Civ. 5081 (R.L.C.)

MOTION FOR TEMPORARY RESTRAINING ORDER AND PRELIMINARY INJUNCTION

Plaintiff moves this Court for an Order, pursuant to Rule 65 of the Federal Rules of Civil Procedure, (a) granting a temporary restraining order, restraining the defendants from taking any further action (1) to consummate the Exchange Offer of Wells, Rich, Greene, Inc. ("WRG Inc.") to the holders of the Common Stock of WRG Inc., whereunder WRG Inc. is offering to exchange $3. cash and $8. principal amount of its new 10% Subordinated Sinking Fund Debentures due November 1, 1984 ("WRG Debentures") for each share of said Common Stock tendered, up to a maximum of 1,405,008 shares of said Common Stock (representing all of its outstanding shares of Common Stock other than the 226,850 shares of said Common Stock owned by members of its Board of Directors); (2) to accept any shares of said Common Stock tendered under and pursuant to the said Exchange Offer; and (3) to exchange any cash of WRG Inc. or any WRG Debentures for any shares of said Common Stock tendered under and pursuant to the Exchange Offer, pending the hearing and determination of the

instant motion for a preliminary injunction; (b) granting a preliminary injunction, enjoining the defendants from taking any further action to consummate the said Exchange Offer, to accept any shares of Common Stock of WRG Inc. tendered thereunder, and to exchange any cash of WRG Inc. or any WRG Debentures for any shares of said Common Stock tendered thereunder, pending final hearing and determination of this cause; and (c) granting such other, further and different relief as this Court may deem just and proper; upon the grounds that are set forth in the annexed affidavits of Stanley Nemser and Nathan Belfer, respectively sworn to on November 20, 1974.

Dated: New York, New York
November 20, 1974

NEMSER & NEMSER

By _____
Member of the Firm

Attorneys for Plaintiff
Office & P.O. Address:
845 Third Avenue
New York, N. Y. 10022
Tel. (212) 355-2255

Affidavit of Stanley Nemser, in Support of Motion, Sworn to November 20, 1974

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

----------x

ALBERT KAUFMANN,

Plaintiff,

-against-

MARY WELLS LAWRENCE, et al.,

Defendants.

74 Civil 5081 (R.L.C.)

AFFIDAVIT

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STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

STANLEY NEMSER, being duly sworn, deposes and says:

1. I am a member of the Bar of this Court and of the firm of Nemser & Nemser, attorneys for the plaintiff in this action. This affidavit is submitted in support of the attached order to show cause and plaintiff's motion for a temporary restraining order and preliminary injunction.

2. This action was instituted on November 19, 1974. Thirteen defendants have been served with process, including the corporate defendant, Wells, Rich, Greene, Inc. ("WRG Inc."). This is a shareholders' class action, brought on behalf of the plaintiff and all other common stockholders of WRG Inc., similarly situated. In substance, the Class consists of the public stockholder body of WRG Inc., numbering more than 2,000 shareholders, who own 1,366,806 shares (83.7%) of its Common Stock. Excluded from the Class are the 12 defendant directors of WRG Inc., who own 226,850 shares (13.9%) of the Common Stock. Also excluded are certain of its officers who own 38,202 shares (2.4%) of the Common Stock. There are 1,631,858 shares of Common Stock issued and outstanding. They are listed on the New York Stock Exchange.

For the convenience of the Court, the Complaint is annexed hereto, as Exhibit 1.

3. The action arises out of claimed violations of Sections 10(b) and 14(e) of the Securities Exchange Act of 1934 ("Exchange Act"), and Rule 10b-5 promulgated thereunder by the Securities and Exchange Commission ("SEC"); and common law principles.

4. The parties to this action are, as follows:

(a) The plaintiff is a common stockholder of WRG Inc. He purchased his shares of Common Stock on March 8, 1974, and he has continuously held his shares up to and including the present time. (Exh. 1, ¶6).

(b) WRG Inc. is a New York corporation. Its principal offices are located at 767 Fifth Avenue, New York, New York. It is a full service advertising agency. (Exh. 1, ¶7).

(c) The defendant directors are Mary Wells Lawrence ("Lawrence"), Charles Moss, Richard T. O'Reilly, John V. Burns, Frank G. Colnar, Frederick L. Jacobs, Martin Sterr, Stanley G. Dragoti, Warren J. Kratky, Arnold M. Grant, Troy V. Post, and Emilio Pucci. Theyconstitute the Board of Directors of WRG Inc. (Exh. 1, ¶9).

(d) The defendant Lawrence, a founder of WRG Inc., is Chairman of the Board of Directors and Chief Executive Officer. She owns 115,000 shares of WRG Inc. It is claimed that she dominates and controls the corporate, business and financial policies and affairs of WRG Inc. (Exh. 1, ¶¶9, 10).

(e) In addition to the defendant Lawrence, the following defendant directors are also executive officers of WRG Inc.: Moss - President; O'Reilly - Vice Chairman of the Board of Directors; Burns - Executive Vice President; Colnar - Executive Vice President; Jacobs - Executive Vice President; Secretary and Treasurer; Stern - Executive Vice President. (Exh. 1, ¶9).

(f) The following defendants are officers (but not directors) of WRG Inc.: Barry E. Loghrane - Executive Vice President; Catharine Gibson - Vice President; and E. Donald Challis - Vice President. (Exh. 1, ¶9).

THE NATIONAL IMPORTANCE OF THIS LITIGATION

5. This case involves an extreme and flagrant attempt by the 12 defendant directors of WRG Inc., a highly profitable growth national corporation with a New York Stock Exchange listing, to force out the more than 2,000 public stockholders (the majority) by the forced sale of their stock to WRG Inc. at an unconscionably low and unfair price, and without the use of any funds of the directors, and thereby to transform WRG Inc. from a public to a private corporation owned by the defendant directors in its entirety with resulting sharp increases in profits and asset values flowing to the WRG Inc. stock owned by the defendant directors. If this fraudulent device and scheme were to be successful, the public stockholders (the majority cestuis que trust) would be pulverized by the directors (the minority fiduciaries): they would be forceably deprived of their property and ownership in WRG Inc.; they would be deprived of the liquidity of their investment in WRG Inc.; they would be deprived of the listing of the Common Stock on the New York Stock Exchange; they would be deprived of a viable market in the Common Stock; they would be deprived of the protection afforded the public investors by the disclosure requirements of the Federal securities laws; they would be defrauded and irreparably injured.

6. The transactions under attack in this action have been given national prominence; and they were the subject of a speech made by SEC Commissioner A. A. Sommer, Jr. on November 14, 1974, at the Notre Dame Law School in South Bend, Indiana. The news-

paper articles with respect to the Commissioner's speech are annexed hereto, as Exhibit 2 (The Wall Street Journal, Friday, November 15, 1974 - "SEC Aide Attacks Firms 'Going Private', Hints Agency May Act to Restrict Practice"); and as Exhibit 3 (The New York Times, Friday, November 15, 1974 - "Member of S.E.C. Assails Company 'Go Private' Bids"). It appears from the contents of the Commissioner's speech that he focused in part on the particular transactions complained of in this action, and condemned the transactions as unlawful. Commissioner Sommer stated, in part:

> "When a corporation chooses to tap public sources of money, it makes a commitment that, absent the most compelling business justification, management and those in control will do nothing to interfere with the liquidity of the public investment or the protection afforded the public by the Federal securities laws.
>
> "That liquidity is a benefit that the shareholder pays for and he should not be deprived of it by those who have fiduciary responsibilities to him. Further, absent such considerations they must do nothing to deprive him of the value of his investment if he chooses to retain it.
>
> * * *
>
> "What is happening is, in my estimation, serious, unfair and sometimes disgraceful, a perversion of the whole process of public financing and a source that inevitably is going to make the individual shareholder even more hostile to American corporate mores.
>
> * * *
>
> "Is there not a clear conflict of interest when the shareholders are offered the empty choice of tendering or being forced out one way or another while the controlling shareholders reap benefits?
>
> "I believe that Federal courts will increasingly be inclined to find in [S.E.C.] Rule 10b-5 the basis for concluding that the conduct which is at the heart of 'going private' violates Federal securities laws."

In reference to the transactions at bar, Commissioner Sommmer referred to the attempt by the directors to squeeze out the majority public stockholders which, if successful, would sharply increase the profit flowing to WRG Inc.'s Chairman and largest stockholder (the defendant Lawrence), "without a single dime of additional investment by her." "I would suggest there is something wrong

with that. I would further suggest that under well-established legal principles such conduct may alse be unlawful."

THE INSTANT MOTION FOR INJUNCTIVE RELIEF

7. This motion for injunctive relief focuses on the Exchange Offer of WRG Inc. which is presently outstanding, pursuant to which it is offering to purchase 1,405,008 shares of its Common Stock (that is, all outstanding shares except the shares of Common Stock owned by the defendant directors -- 226,850 shares which it is represented the directors "agreed" not to tender). The basis of exchange is $3. cash and $8. principal amount of its new 10% Subordinated Sinking Fund Debentures due November 1, 1984 ("WRG Debentures) for each Common share tendered. The Exchange Offer became effective on November 4, 1974, and the public stockholders of WRG Inc. are being solicited through a Prospectus, dated November 4, 1974, a copy of which is annexed hereto, as Exhibit 4. Also annexed hereto, as Exhibit 5, is a copy of the Letter of Transmittal. The Exchange Offer was first publicly announced after the close of trading on September 4, 1974, pursuant to a Press Release issued September 4, 1974, a copy of which is annexed hereto, as Exhibit 6.

8. The Exchange Offer expires on November 25, 1974, at 5 P.M., New York City time, unless extended. No tendered shares may be withdrawn and all tenders became irrevocable after 5 P.M., New York City time, on November 12, 1974. Transfers of record of tendered shares will not be made before November 25, 1974; and until that date, ownership of tendered shares of Common Stock will remain in the tendering holders unimpaired except for the right of WRG Inc. to acquire the ownership thereof under the Exchange Offer as of November 25, 1975. (Exh. 4, p. 7). White, Weld & Co. Incorporated, the historical underwriter for WRG Inc., is the

Dealer Manager of the Exchange Offer, and The Chase Manhattan Bank, N. A. ("Chase") is the Exchange Agent. (Exh. 4, pp. 1, 10).

9. The WRG Debentures would be issued under an Indenture to be dated as of November 1, 1974 between WRG Inc. and Chase, as Indenture Trustee. The Debentures would be unsecured obligations of WRG Inc., limited to $11,240,064 in principal amount, and would mature on November 1, 1984, and bear interest at 10% per annum from November 1, 1974. Payment of principal and income would be subordinated in right of payment to prior payment of all senior debt; and, uniquely, payment of principal and interest would be subject to the existence of surplus as well as solvency of WRG Inc. Consequently, if there were a capital deficiency although solvent, the Debenture holders would not be entitled to payment of principal or interest, and if surplus does not equal or exceed principal there would not be full coverage for payment of principal. (Exh.4, p. 5, 21), a substantially negative valuation factor of the WRG Debentures. On the other hand, WRG Inc. at the present time is practically long-term debt free -- its total long-term debt consists of only installment notes payable amounting to $336,724 as of August 31, 1974 (Exh. 4, p. 48). Historically, there has been minimal or no funded or long-term debt in front of the stockholders' equity. This is shown by the 1973 Annual Report (Exhibit 7, annexed hereto), the 1972 Annual Report (Exhibit 8, annexed hereto), and the 1971 Annual Report (Exhibit 9, annexed hereto), as well as Exh. 4, p. 48. There would be a major transformation upon the issuance of the Debentures, and any WRG Inc. public stockholder who does not tender under the Exchange Offer would be faced with substantial prior long-term debt. And, in addition, the Debentures have a value substantially below par. The defendants assume the fair value for the Debentures (and so represent in the Prospectus, Exh. 4, pp. 24-25) upon their issuance will be 75% of their princi-

pal amount. A public stockholder of WRG Inc. who does not tender under the Exchange Offer will be confronted with amortization of the debt discount and a charge against income over the term of the Debentures. If 50% of the Common shares solicited for tender were tendered, the assumed debt discount would amount to $1,405,008, which amount would progressively increase should more than 50% be tendered, and would increase to $2,810,016 at 100% tender. Moreover, under the terms of the Indenture as proposed, WRG Inc would be required to pay into a Sinking Fund on or before November 1 of each of the years 1975 to 1983, inclusive, an amount in cash equal to 10% of the aggregate principal amount of the originally outstanding Debentures. To the extent that WRG Inc. would make open market purchases of Debentures at prices below their principal amount, WRG Inc. will receive credits against the sinking fund payment obligations. If 50% of the Common shares solicited for tender were tendered, the sinking fund payment annually would be $562,003 increasing to $1,124,006 at 100% tender. Servicing Debenture principal and interest for the fiscal year 1975 would amount to $1,124,006 at 50% tender increasing to $2,248,012 at 100% tender. (Exh. 4, p. 25).

9. It is charged in the Complaint, and substantiated by the documentation herein and the accompanying affidavit of Nathan Belfer, investment analyst, that through devices and schemes, false and misleading statements in the Prospectus, material omissions, and a fraudulent course of business conduct, the defendants have conspired and acted in concert to forceably deprive the public common stockholders of WRG Inc. from continuing their interests as stockholders and majority owners, and from participating in the continuing growth of WRG Inc, which has annually reported a progressive increase in billings, revenues and earnings; to wrongfully effect 100%, or at least initially 66-2/3% ownership of WRG Inc. by the defendants Lawrence and the other defendant directors; to wrongfully increase the percentage of

defendant Lawrence's ownership of Common Stock from the present 7% to at least 50.6%; to wrongfully increase the earnings per share and the book value per share attributable to the 226,850 shares of Common Stock owned by the directors at the expense of the public stockholders through their "freeze out" as stockholders of WRG Inc.; to wrongfully advantage the defendant directors by causing WRG Inc. to purchase their shares under the Exchange Offer (and, if necessary, thereafter to force out any non-tendering public stockholders through forced merger or other device) at a price substantially below book value and the fair intrinsic value of the Common Stock of WRG Inc.; to wrongfully cause the delisting of the Common Stock of WRG Inc. -- the New York Stock Exchange delists if the total number of beneficial owners of 100 shares or more falls below 1200, or the publicly held shares fall below 600,000 in number; to wrongfully deprive the public stockholders of the protections and disclosure afforded by the Exchange Act -- if the number of holders of record is reduced to fewer than 300, the registration of the Common Stock under the Exchange Act would terminate; to wrongfully eliminate a viable market for the Common Stock of WRG Inc.; to wrongfully increase the salaries and other remuneration and emoluments of officers of WRG Inc., notwithstanding that their past and present compensation has been high, including many types of incentive and deferred compensation programs approved by the public stockholders for their benefit and incentive (See, Notice and Proxy Statement for Annual Meeting of Stockholders of WRG Inc., held March 8, 1972 -- Exhibit 10, attached hereto; for Annual Meeting of Stockholders of WRG Inc., held March 1, 1973 -- Exhibit 11, attached hereto; and for Annual Meeting of Stockholders of WRG Inc., held March 6, 1974 -- Exhibit 12, attached hereto); to wrongfully gain for the defendant directors of WRG Inc. at least 66-2/3% voting control of WRG Inc., so that they would be in the position to force the retirement, as they intend to do, of the balance of Common Stock held by the public stockholders.

10. The Prospectus (Exh. 4) is replete with false and misleading statements, half-truths, obfuscations, implied threats, in terrorem statements, and cajolement -- all with the design to force the public stockholders of WRG Inc. to tender their shares of Common Stock under the Exchange Offer. The entire fabric of the Prospectus is a grand fraud -- the defendants term the Exchange Offer "voluntary", but in fact, and in line with the statement therein that the directors want to "go private" (p. 14), they fill the Prospectus, page after page, with statements and insinuations that public stockholders who would remain would suffer dire consequences; they would lose rights, property, value, listing, market, and knowledge about their company; in substance, they would become nothing more than abandoned orphans, until finally, they would be eliminated at a substantial loss to them. In substance, the public stockholders are given alternatives which are not alternatives -- they either jump off the ship, or they are thrown off; either way, they drown.

THE DEFENDANT LAWRENCE AND OTHER DEFENDANT DIRECTORS AND OFFICERS, WHOSE INITIAL INVESTMENT IN WRG INC. WAS INSUBSTANTIAL, HAVE RECEIVED AND REAPED MILLIONS OF DOLLARS FROM THE PUBLIC STOCKHOLDERS UPON THEIR INVESTMENT IN THE COMPANY.

11. At page 13 of the Prospectus, under the heading, "Background and Purpose", the defendants make many materially false and misleading statements with respect to the two public offerings of WRG Inc. Common Stock. The first public offering was made on October 31, 1968 ("1968 Public Offering"). Annexed hereto, as Exhibit 13, is Prospectus dated October 31, 1968, with respect to the 1968 Public Offering. It shows that WRG Inc. was incorporated on March 31, 1966, and commenced business on August 5, 1966. Not disclosed in the current Exchange Offer Prospectus are the following material facts:

(a) The total initial investment made by the defendant Lawrence for 301,000 shares of Common Stock of WRG Inc. was $30,100.,

or 10¢ per share. (Exh. 13). (See also, Exh. 1, ¶24).

(b) Prior to the first public offering, the directors, officers, and employees of WRG, Inc., including the defendants Lawrence, Moss, Burns, Jacobs, Stern, Dragoti, and Gibson, had acquired during the period from April 1, 1966 through June 1968, a total of 1,450,600 shares of Common Stock, at an aggregate cost of $548,680, or an average cost of 38¢ per share. (Exh. 13; Exh. 1, ¶24).

(c) 409,900 shares of Common Stock were offered under the first public offering, of which only 50,000 shares were offered by WRG Inc., and the balance of 359,900 were offered by the directors, officers, and employees who offered respectively 25% of their holdings. The offering price was $17.50 per share. Consequently, the public stockholders invested in WRG Inc. under that public offering a total of $7,173,250. WRG Inc. used its net proceeds of $815,000 on that public offering for its then new headquarters at 767 Fifth Avenue, New York City. The directors, officers, and employees, as the selling stockholders under that secondary offering, including the defendants Lawrence, Moss, Burns, Jacobs, Stern, Dragoti, and Gibson, received on that offering, net proceeds of $16.30 (after underwriting discount of $1.20), or a total of $5,866,370., of which the defendant Lawrence received $1,226,575. (Exh. 13; Exh. 1, ¶24).

(d) The second public offering of WRG Common Stock was made on April 19, 1971 ("1971 Public Offering"). By that time, the Common Stock had been listed on the American Stock Exchange -- the Common Stock was listed on the American Stock Exchange in 1970, and trading in that stock commenced on that Exchange on May 11, 1970. In conjunction with the 1971 Public Offering, the listing of the Common Stock was transferred to the New York Stock Exchange. Annexed hereto, as Exhibit 14, is Prospectus dated April 19, 1971; and as Exhibit 15, is (Original Listing) Listing Application to New York Stock Exchange by WRG Inc., for 1,920,600 shares of Common

Stock, dated July 15, 1971. Under the 1971 Public Offering the directors, officers and employees of WRG Inc., on a secondary offering, a total of 333,739 shares of Common Stock, at an offering price of $21.75 per share. The public stockholders invested in WRG Inc. under that offering a total of $7,258,823.25. The directors, officers, and employees, as the selling stockholders under that secondary offering, including the defendants Lawrence, Moss, O'Reilly, Burns, Colnar, Jacobs, Stern, Dragoti, and Gibson, received on that offering net proceeds of $20.50 per share (after underwriting discount of $1.25), or a total of $6,841,649.00, of which the defendant Lawrence received $2,272,425.00. (Exh. 14; Exh. 1, ¶24). Of the 1,920,600 shares listed on the New York Stock Exchange pursuant to the Original Listing, a total of 1,582,357 shares represented issued shares, including 7,150 shares held in Treasury; a total of 334,743 shares were reserved for issuance upon exercise of stock options granted and to be granted under the WRG Stock Option Plan, as approved by the stockholders; and a total of 3,500 shares were reserved for issuance upon exercise of rights granted pursuant to WRG Incentive Stock Purchase Plan, as approved by the stockholders. (Exh. 15).

(e) It appears also, that defendant Lawrence and other defendant directors and officers sold Common Stock in the open market after the 1971 Public Offering, and reaped substantial profits thereby. In the case of defendant Lawrence, after her sale of 110,850 shares in the 1971 Public Offering, she apparently sold 16,500 shares subsequently. At the end of the year 1973, she owned 84,500 shares. After the conclusion of the 1971 Public Offering she had owned 100,000 shares. (Exh. 14, p. 17).

(f) Consequently, under the 1968 and 1971 Public Offerings, defendant Lawrence sold to the public stockholders a total of 186,100 shares, and received net proceeds of $3,499,000. Her cost for those 186,100 was $18,610. (Exhs. 13, 14). The other defendant directors and officers who sold shares pursuant to the

two public offerings similarly reaped substantial gains from their sales to the public stockholders.

(g) Now that WRG Inc. has established itself as a highly profitable and growth corporation, the defendant directors are fraudulently attempting to "squeeze out" the majority public stockholders after the defendants had enriched themselves through the investment of the public stockholders in the Common Stock of WRG Inc.

THE EXCHANGE OFFER IS GROSSLY UNFAIR
TO THE PUBLIC STOCKHOLDERS OF WRG INC.

12. Forming part of the moving papers on the instant motion is the affidavit of Nathan Belfer, sworn to November 20, 1974. Mr. Belfer is an investment analyst. He is Vice President of Wood, Struthers & Winthrop Inc., functioning as a Security Analyst and Portfolio Manager, He is also a Vice President of the De Vegh Mutual Fund. He is also a lecturer on Finance and Investments at the New School for Social Research and the New York Institute of Finance. Mr. Belfer's conclusion on his analysis of the Exchange Offer is, as follows:

> "On all the factors considered in my analysis it is my opinion that the offer by WRG to its stockholders of cash and securities, having together a current value of $8.52, approximately 18% below the current book value of $10.43 per share is grossly inadequate. It is substantially below a true, intrinsic, going value of approximately $20.00 per share." (Emphasis supplied)

The Court is respectfully referred to Mr. Belfer's analysis as set forth in his accompanying affidavit. See also, Exh. 1 (Complaint) ¶¶ 11, 12, 13, and 23 (The financial data alleged in those paragraphs of the Complaint are fully supported by Exhs. 7, 8, and 9 [Annual Reports] and by the financial data set forth in Exh. 4 [Prospectus]. The schedules set forth in Mr. Belfer's affidavit and in the Complaint show the striking growth of WRG on a progressive basis.

13. The Prospectus (Exh. 4) applies a 25% discount to the new Debentures that would be offered under the Exchange Offer. That is false. The discount presently is 31%. On that basis, the Exchange Offer package has a value of $8.52, as shown in Mr. Belfer's affidavit. The current value of the package is approximately 18% below current book value of $10.43 per share, or a deficiency of $1.91 per share. On the basis of 100% tender, the deficiency would amount to $2,683,565.00. Even on the 25% discount basis applied by the defendants in the Prospectus, the package would have a value of only $9.00, as compared with book value of $10.43, representing a deficiency of$1.43 per share, or $2,009,161 based on 100% tender. On the other hand, on a pro forma basis, as adjusted, as of August 31, 1974, the book value per share would amount to $14.98 on the basis of a 100% tender, representing an increase of $4.55 per share with respect to the Common Stock owned by the defendant directors, or a total increment to their sole benefit of $1,032,167.50.

14. The true, intrinsic, going value of WRG Inc. has been established by Mr. Belfer at approximately $20.00 per share. That value is $11.48 higher than the current value of the offering package at $8.52 per share. The $11.48 deficiency of the offering package represents a deprivation of value to the public stockholders of $16,129,492.00 based on 100% tender. On the other hand, on a pro forma basis, as adjusted, as of August 31, 1974, the net income per share would amount to $7.06 were there 100% tender, representing an increase of net income of $5.06 per share with respect to the Common shares owned by the defendant directors. (Exh. 4, p. 15).

15. The defendants Lawrence (Chairman of the Board and Chief Executive Officer) and Moss (President) have during the past years

through the 1973 fiscal year represented to the public stockholders of WRG Inc. the solidity of their investment in WRG Inc. and the unique growth of WRG Inc. in the advertising agency field, far out-stripping the other publicly-held advertising agencies:

1971 Annual Report (Exh. 9): Letter, dated January 25, 1972 --

"The fiscal year ended October 31, 1971 was a very special one for Wells, Rich, Greene. * * * And it was most importantly a year of achievement: Billings, in 1971, topped the $100 million mark for the first time, climbing from $91,589,000 in 1970 to $108,008,000. Net income rose 32.4 per cent to $2,619,006 from $1,978,480, and earnings per share increased 32.8 per cent, to $1.66 from $1.25 in 1970. A dividend policy was instituted and quarterly dividends of $0.15 per share were made to our shareholders. Marketability of WRG's securities was enhanced by the agency's listing in August on the New York Stock Exchange.

* * *

"Though 1971 can hardly be considered a banner year for business generally, it was certainly a very special year for Wells, Rich, Greene. Our clients, all marketing oriented corporations, apply forward planning techniques to budgeting for market/advertising programs. And, because it is vital for them to maintain a competitive edge in the marketplace, they remain committed to those campaigns regardless of temporary fluctuations in broad economic conditions.

"We believe that WRG's favorable experience during the recent business contraction suggests that primary advertising agencies, like Wells, Rich, Greene, are at least recession resistant and to a great degree recession proof."

(Emphasis supplied)

1972 Annual Report (Exh. 8): Letter, dated January 1973 --

"During the fiscal year ended October 31, 1972, Wells, Rich, Greene, Inc., achieved the financial and creative goals determined a year ago, and continued to outperform the advertising agency industry by virtually all of the important financial yardsticks. * * * The list below highlights the principal financial accomplishments of fiscal 1972. -- RECORD BILLINGS -- * * * -- RECORD NET INCOME -- * * * CONTINUED PROFIT MARGIN IMPROVEMENT -- * * * HIGHEST RETURN ON EQUITY -- Perhaps one of the most important yardsticks used by stockholders to measure the success of their company is return on investment which, in fiscal 1972, was 27.3 percent. The composite average for the publicly-held agencies is less than 20 percent.

* * *

For 1973, the combination of these developments will raise total billings to some $185 million -- putting us well within the top 15 agencies.

* * *

"Looking ahead, we have every confidence that the momentum and spirit developed at Wells, Rich, Greene during fiscal 1972, as well as the challenges presented us by our growing roster of clients, will combine to provide continued record growth in fiscal 1973 and beyond." (Emphasis supplied)

1973 Annual Report (Exh. 7) Letter, dated January 1974--

"No matter what perspective you use to review the fiscal year ended October 31, 1973 - financial, operational or service to its clients - Wells, Rich, Greene, Inc., not only met the challenge, but concluded its most successful year to date. Such an accomplishment augurs well for the future of The Company.

* * *

"Among the more salient developments of the past fiscal year were the following: Gross billings of WRG, including those of Gardner, rose to a record $185,250,000, placing The Company well within the twenty largest agencies in the world. Net income rose to a record $3,375,077 which was equivalent to $2.08 a share, * * *. The Board of Directors voted a special three cents a share year-end cash dividend, and increased the last quarter's regular cash dividend to 17 cents a share from 15 cents. This brought the 1973 dividend payout to 65 cents compared with 60 cents in 1972. The dividend for the first quarter of 1974 was also 17 cents a share. The agency received a number of very important new product assignments from its clients * * *.

* * *

"Looking ahead, we believe that the problems faced by business and society will become tougher and more complex. We believe that these challenges will present opportunities for Wells, Rich, Greene's growth and achievement unlike any we have seen."

(Emphasis supplied)

16. It was within this milieu of representations of continued participation by the public stockholders of WRG Inc. as owners of the Company, and the glowing reports of growth of WRG Inc., and its relative imperviousness to rescession and difficult general economic conditions (and, indeed, the potential enhancement of its business opportunities during general economic difficulties), that as charged in the Complaint (Exh. 1, p. 19, ¶24(c)), the defendants Lawrence, Colnar, Challis, Gibson in contemplation of the plan and scheme to freeze out the public stockholders, purchased substantial shares of Common Stock of WRG Inc. During the months of January, February, and March 1974, the defendant Lawrence purchased a total of 30,500 shares of Common Stock in the open market; the defendants

Colnar and Challis purchased respectively 300 shares and 100 shares in July 1974; and the defendant Gibson purchased 1,000 shares on September 5, 1974. Annexed hereto are the following exhibits in this respect: SEC Form 4s filed by the defendant Lawrence for the month of January 1974 (Exhibit 16), for the month of February 1974 (Exhibit 17) and for the month of March 1974 (Exhibit 18); SEC Form 4 filed by the defendant Colnar for the month of July 1974 (Exhibit 19); SEC Form 4 filed by the defendant Challis for the month of July 1974 (Exhibit 20); and SEC Form 4 filed by the defendant Gibson for September 1974 (Exhibit 21). None of these purchases was disclosed in the Prospectus (Exh. 4).

THE REASONS FOR THE EXCHANGE OFFER SET FORTH IN THE PROSPECTUS ARE SHAM, FALSE AND MISLEADING, AND ARE DESIGNED TO CONCEAL THE UNDERLYING FRAUDULENT PURPOSES OF THE EXCHANGE OFFER AS HEREIN-ABOVE STATED AND DOCUMENTED, AND AS ALLEGED IN THE COMPLAINT.

17. The principal reason stated by the defendants in the Prospectus (Exh. 4, pp. 39-44) relates to incentive compensation and particularly to stock options and the present decline in the market prices of the Common Stock. This reason is sham, and false and misleading. It is stated in this connection that "The Common Stock, however, has generally been lightly traded." This is false. Annexed hereto, as Exhibit 22, are the ISL Indices, showing the daily volume and market prices for the Common Stock of WRG Inc. during the entire period of trading on the American Stock Exchange and the New York Stock Exchange, from May 11, 1970 through September 4, 1974. A total of 5,162,000 shares of Common Stock traded in round lots during that period on the two national securities exchanges. Considering the contemporaneous "float" of Common shares at the various times during that period, the trading was not in any sense "generally light". With respect to incentive compensation and stock options, the public stockholders have

continuously approved substantial incentive compensation programs for the employees and officers of WRG Inc. See, Exhs. 18, 19, and 20 (Proxy Statements), and Exhibit 23 annexed hereto (Form 8-K Current Report of WRG Inc. for month of March 1974 -- the stockholders approved acceleration of expiration dates of certain stock options and approved granting new options). Indeed, there are options outstanding to purchase Common Stock either at prices below market at time of the announcement of the Exchange Offer or below or at approximately book value. Such options involve thousands of shares of WRG Inc. Common Stock (See Exh. 4, p. 42). The defendants state that they would grant stock options based on book value, which they refer to as "more meaningful" Aside from totally obfuscating and distorting the present outstanding stock options, there would be no reason why such stock options geared to book value could not be granted were the public stockholders to remain owners of their corporation. In fact, under the Incentive Stock Purchase Plan authorized by the stockholders of WRG Inc., rights to purchase stock were granted to key employees based on a price equal to the greater of 40% of the fair market value or consolidated book value. A total of 86,400 shares of Common Stock were issued pursuant to that Plan. (Exh. 4, p. 43). As the exhibits also show, high salaries, and executive incentive payments of 10% of consolidated net earnings have been authorized by the stockholders of WRG Inc. (See, Exh. 4, pp. 39-44).

18. The reason of purported "greater confidentiality" by "going private" is likewise a sham. Clients of advertising agencies are known throughout the industry; and based on the high growth rate of WRG Inc. such lack of "confidentiality" has not impaired its operations -- the statements by defendants Lawrence and Moss in the Annual Reports to the stockholders belie such a contention.

19. It is submitted that such purported "reasons" have no basis in fact; and under any circumstances could not be the

basis for such a flagrant and fraudulent attempt to "freeze out" the majority public stockholders of WRG Inc.; at such a tremendous loss to the public stockholders; and in such blatant breach of fiduciary duties owing to the public stockholders of WRG Inc.

20. No previous application has been made for the relief herein sought. The reason why this motion is sought to be brought on by order to show cause is that the Exchange Offer will expire at 5 P.M. on Nov. 25, 1974, and accordingly there is not sufficient time remaining to make this motion on regular notice

WHEREFORE, it is respectfully submitted that the motion for a temporary restraining order and preliminary injunction be granted.

Sworn to before me this
20th day of November, 1974

Ann Bader

ANN BADER
Notary Public, State of New York
No. 31-0125300
Qualified in New York County
Commission Expires March 30, 1975

EXHIBIT 1

Plaintiff's Complaint as Hereinbefore Reproduced

EXHIBIT 2

Extract from Wall Street Journal,
November 15, 1974

4 THE WALL STREET JOURNAL,
Friday, November 15, 1974

SEC Aide Attacks Firms 'Going Private,' Hints Agency May Act to Restrict Practice

By a WALL STREET JOURNAL Staff Reporter

WASHINGTON — Many companies that buy up their publicly held shares and return to private ownership may be violating federal securities laws, a Securities and Exchange Commission member declared.

The commissioner, A. A. Sommer Jr., strongly hinted that the agency will act to restrict the increasingly popular practice of "going private", a process that frees companies from SEC rules mandating financial disclosure and prohibiting management conflicts of interest.

In a speech prepared for delivery to the Notre Dame Law School in South Bend, Ind., Mr. Sommer called the trend "serious, unfair, and sometimes disgraceful—a perversion of the whole process of public financing." A copy of his speech was released in Washington.

When a company goes private, it offers to buy up its publicly held shares. There are several methods of doing this, but in all cases a small number of controlling shareholders end up owning all or most of the company. Once the number of holders is reduced to fewer than 300, the company doesn't have to comply with SEC regulations designed to protect holders by requiring corporate disclosure.

According to a New York bank, about 30 companies are currently in the process of going private. The move is currently attractive because stock prices are at low levels, meaning that shares investors may have purchased at high prices in the stock market's balmier days may be repurchased at "bargain" rates.

"These tender offers and these squeezeouts usually benefit the insiders enormously," Mr. Sommer charged, asking: "Is there not a clear conflict of interest when the shareholders are offered the empty choice of tendering or being forced out one way or another while the controlling shareholders reap benefits?

"I believe that federal courts will increasingly be inclined to find that the conduct which is at the heart of going private violates the antifraud provisions of federal securities laws," he added.

Although Mr. Sommer stressed that his speech represented only his views, he said, "I can assure you that the commission isn't indifferent to these developments." He didn't suggest what action the commission might take, but SEC staff members indicated the commission is considering an enforcement action charging a company that is going private with defrauding investors. In addition, the agency may issue rules to restrict companies from going private.

Alan B. Levenson, director of the agency's Division of Corporate Finance, said the SEC is already considering the problems of going private in a current proceeding concerning the agency's tender-offer and merger rules. In addition, he said the commission is alert "to possible enforcement actions," but he wouldn't say if the agency is about to act against any company.

But in his speech Mr. Sommer singled out a company that he said is going private, and said its action, if successful, will sharply increase the profit flowing to the company's chairman and largest stockholder "without a single dime of additional investment by her."

"I would suggest there is something wrong with that," he said. "I would further suggest that under well-established legal principles such conduct may also be unlawful."

Mr. Sommer didn't name the company, but SEC officials said he was referring to Wells, Rich, Greene Inc., a New York advertising agency. The company, which is listed on the New York Stock Exchange, is headed by Mary Wells Lawrence.

In New York, legal counsel for Wells Rich issued the following statement when asked for comment: "We understand that Mr. Sommer criticized certain 'going private' practices in a speech today and made specific reference to the current Wells, Rich, Greene exchange offer. We haven't had an opportunity to see Mr. Sommer's remarks, but (we) believe that the Wells, Rich, Greene offer is lawful and proper in every respect and is based on sound business reasons, as fully disclosed in the company's registration statement."

As in the Wells Rich case, insiders of some of the companies currently going private sold shares to the public several years ago at much higher prices than those companies are offering holders for their shares.

"The spectacle of entrepreneurs inviting the public in when they can command high prices for their stock and then squeezing them out . . . at substantially reduced prices is hardly one to warm the soul of Thomas Aquinas or Aristotle," Mr. Sommer said in calling the practice unethical.

When a company raises money by going public it "makes a commitment" to "do nothing to interfere with the liquidity of the public investment or the protection afforded the public by federal securities law," he said.

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plant, though van production at the facility will continue, a GM spokesman said. Of the layoffs, 5,000 will come at the assembly plant, with another 1,000 idled at the adjacent Fisher plant that makes body parts for the cars.

This week, auto makers plan to build 170,029 cars in the U.S., down about 3.8% from last week's total of 176,181 and 18% below the 208,495 produced in the year-ago

EXHIBIT 3

**Extract from New York Times,
November 15, 1974**

Member of S.E.C. Assails Company 'Go Private' Bids

By FELIX BELAIR Jr.
Special to The New York Times

Public companies that repurchase their own stock to "go private" and escape Federal regulation are inviting prosecution on fraud charges, a Securities and Exchange Commissioner, A. A. Sommer, warned today.

In a law advisory council lecture given at the Notre Dame law school and which was released here, the S.E.C. member suggested that the growing practice of squeezing out minority stockholders by cash tender offers, cash mergers or "reverse splits" was both unethical and illegal and actionable under the antifraud provisions of Federal securities laws.

"When a corporation chooses to tap public sources of money, it makes a commitment that, absent the most compelling business justification, management and those in control will do nothing to interfere with the liquidity of the public investment or the protection afforded the public by the Federal securities laws," Mr. Sommer said, adding:

"That liquidity is a benefit that the shareholder pays for and he should not be deprived of it by those who have fiduciary responsibilities to him. Further, absent such considerations they must do nothing to deprive him of the value of his investment if he chooses to retain it."

Although the reasons for

Continued on Page 54, Column 2

'Go Private' Bids of Companies Assailed

Continued From Page 51

"going private" were variously asserted, said Mr. Sommer, the results usually were the same. Significant losses were sustained by minority stockholders who accept tender offers, the market for their holding dries up and the larger stockholders reap big profits from ensuing merger or reorganizations, he added.

The S.E.C. member noted that 3,000 companies offered their shares to the public for the first time between 1967 and 1972, when stock prices were rising. Now, with many stocks selling at less than book value, some companies were buying back their stock at bargain prices and forcing out stockholders who would like to ride out the bear market if they had a choice.

'Sometimes Disgraceful'

"What is happening is, in my estimation, serious, unfair and sometimes disgraceful, a perversion of the whole process of public financing and a source that inevitably is going to make the individual shareholder even more hostile to American corporate mores," Mr. Sommer said.

The commissioner observed that it was well established in the law that officers and directors of corporations, as well as those shareholders who control it, "owe fiduciary duties to the other shareholders of the [illegible]."

He asked:

"Is there not a clear conflict of interest when the shareholders are offered the empty choice of tendering or being forced out one way or another way or another while the controlling shareholders reap benefits?

"I believe that Federal courts will increasingly be inclined to find in [S.E.C.] Rule 10B-5 the basis for concluding that the conduct which is at the heat of 'going private' violates Federal securities laws."

That rule makes it unlawful to employ any device, scheme or artifice to defraud, or to engage in any act, practice or course of business which operates or would operate as a fraud on any person in connection with the purchase or sale of securities.

Without attempting to speak for other members of the commission, Mr. Sommer said the agency had a clear mandate to protect the interests of investors. That mandate would not be met, he added, until the commission deals "aggressively and firmly" with the wrongs inherent in the practice of "going private."

EXHIBIT 4

Prospectus of Exchange Offer Dated November 4, 1974

PROSPECTUS

EXCHANGE OFFER

to Holders of Common Stock of

Wells, Rich, Greene, Inc.

Wells, Rich, Greene, Inc. (the "Company") hereby offers to the holders of its Common Stock, par value $1.00 per share ("Common Stock"), to exchange cash and its new 10% Subordinated Sinking Fund Debentures due November 1, 1984 (the "Debentures") for shares of Common Stock in the ratio of

$3 Cash and $8 Principal Amount of Debentures
in Exchange for Each
One Share of Common Stock Tendered.

Subject to the terms and conditions contained in this Prospectus, the Company will accept for exchange any and all duly tendered shares of Common Stock up to a maximum of 1,405,008 shares, which at September 1, 1974 represented all outstanding shares of Common Stock other than the 226,850 shares (approximately 13.9% of the outstanding shares) owned by members of the Board of Directors of the Company. The directors have agreed not to participate in the Exchange Offer. *Participation in the Exchange Offer is completely voluntary and the Company makes no recommendation with respect thereto.* The attention of stockholders is directed to the information set forth under "Effect of the Exchange Offer".

THIS EXCHANGE OFFER WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON NOVEMBER 25, 1974, UNLESS EXTENDED.

The Debentures will bear interest from November 1, 1974 at the rate of 10% per annum, payable semi-annually on May 1 and November 1, and will be subordinated to the Company's "Senior Debt" (as defined), of which $140,000 is outstanding on the date hereof. The Debentures are redeemable at the Company's option at any time, in whole or in part, at the principal amount thereof plus accrued interest. The Company is required to spend in cash on or before November 1 of each year an amount equal to 10% of the original principal amount of the Debentures either (i) in repurchasing Debentures in the open market or otherwise, or (ii) to the extent such amount is not so spent in any year, in redeeming Debentures at their principal amount through the operation of a sinking fund. See "Description of Debentures—Subordination—New York Law" for information regarding possible restrictions on payment of principal and interest.

On September 4, 1974, prior to the announcement of the Exchange Offer, the last reported sales price of the Common Stock on the New York Stock Exchange was $5.50. On November 1, 1974, such price was $8.125. See "Price Range and Volume of Common Stock". Prior to this offering there has been no market for the Debentures and no assurance can be given that an active market will develop. Application will be made to list the Debentures on the American Stock Exchange. Such listing will depend upon fulfilling the Exchange's listing requirements. See "Subsequent Trading in Debentures". The Company cannot predict the initial trading prices of the Debentures, but it is anticipated that they will trade at prices significantly below their principal amount.

White, Weld & Co. Incorporated, the Dealer Manager, has agreed to use its best efforts to arrange for Soliciting Dealers to solicit acceptances of the Exchange Offer. The Company has agreed to pay the Dealer Manager a management fee of 12½¢ for each share of Common Stock exchanged. Soliciting Dealers, including the Dealer Manager, will be paid a fee of 37½¢ for each share of Common Stock exchanged where such dealer is named in the Letter of Transmittal accompanying such shares. There will be no maximum limit on such fees to be paid any Soliciting Dealer. See "The Exchange Offer—Solicitation of Acceptances". Assuming the exchange of all 1,405,008 shares, the maximum total expenses payable by the Company would not exceed approximately $915,000.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION NOR HAS THE COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

White, Weld & Co.

Incorporated

The date of this Prospectus is November 4, 1974

No person has been authorized to give any information or to make any representation not contained in this Prospectus and, if given or made, such information or representation must not be relied upon as having been authorized. This Prospectus does not constitute an offer of any securities other than those to which it relates. The delivery of this Prospectus at any time does not imply that the information herein is correct as of any time subsequent to its date.

This Exchange Offer is not being made to, nor will the Company accept tenders from, holders of Common Stock in any jurisdiction in which this Exchange Offer or the acceptance thereof would not be in compliance with the securities or blue sky laws of such jurisdiction. In those jurisdictions the securities or blue sky laws of which require this Exchange Offer to be made by a licensed broker or dealer, this Exchange Offer is made on behalf of the Company only by registered brokers or dealers who are licensed under the laws of such jurisdictions.

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PROSPECTUS SUMMARY

The following is a summary of certain material contained in the body of the Prospectus. The summary is intended merely to highlight certain information; it is not a complete statement of all factors material to an investment decision and should be read in conjunction with the more detailed information in the remainder of the Prospectus.

The Company

Wells, Rich, Greene, Inc. is an advertising agency which was incorporated under the laws of the State of New York and commenced business in 1966. The term "Company" as used herein includes Wells, Rich, Greene, Inc. and, unless the context indicates otherwise, its subsidiaries. See "The Company" and "Business".

The Exchange Offer

The Company is offering $3 cash and $8 principal amount of its new 10% Subordinated Sinking Fund Debentures due November 1, 1984 in exchange for each one share of Common Stock up to a maximum of 1,405,008 shares. See "The Exchange Offer". The procedure for making exchanges is described under "The Exchange Offer—How to Exchange".

Participation in the Exchange Offer by holders of Common Stock is completely voluntary. Neither the Company nor the Board of Directors makes any recommendation that stockholders tender or refrain from tendering any or all of their shares.

The offer will expire at 5:00 P.M., New York City time, on November 25, 1974, unless extended. In no event will the Company extend the offer beyond January 3, 1975. Tenders of Common Stock may be withdrawn through November 12, 1974, and will be irrevocable thereafter.

Payments of cash and deliveries of Debentures to tendering stockholders will be made as soon as practicable after November 25, 1974 (or, to stockholders who tender during an extension of the Exchange Offer, as soon as practicable after such extension).

The exchange of Common Stock will constitute a taxable transaction. See "The Exchange Offer—Federal Income Tax Consequences".

Effect of the Exchange Offer

The shares to which the Exchange Offer extends represented at September 1, 1974 all of the outstanding shares of Common Stock other than the 226,850 shares (approximately 13.9% of the outstanding shares) owned by members of the Board of Directors of the Company. The directors have agreed not to participate in the Exchange Offer. Officers owning 38,202 shares (approximately 2.4% of the outstanding shares) have informed the Company of their present intention not to participate in the Exchange Offer. Thus, a partial exchange of Common Stock pursuant to the Exchange Offer will reduce (and a complete exchange would eliminate) the numbers of publicly held shares of Common Stock and public stockholders of the Company, leaving the Company substantially (or entirely) owned by its directors and officers. For a description of the consequences upon the Company's remaining Common Stock and upon the ownership of Common Stock by directors and officers see "Effect of the Exchange Offer—Reduction of Publicly Held Shares" and "Principal Stockholders".

For a description of the pro forma earnings and stockholders' equity effect of the Exchange Offer, see "Effect of the Exchange Offer—Comparative Data" and "Capitalization".

Comparison of the Debentures and Common Stock

The following table compares certain features of the Debentures and the Common Stock. The terms of both securities are described in greater detail under "Description of Debentures" and "Description of Common Stock".

	Debentures	Common Stock
Interest and Dividends	Interest is payable semi-annually at the annual rate of 10%. The annual interest payable on $8 principal amount of Debentures is $.80. Interest payments are fixed obligations of the Company.	Dividends are currently paid quarterly on the Common Stock at the annual rate of $.68 per share. Although the Company has no present intention to change the current dividend rate after the Exchange Offer, dividend payments are within the discretion of the Board of Directors and depend on many factors, including the Company's future earnings, capital requirements and financial condition. The Indenture limits the declaration of dividends after November 1, 1974 to 50% of consolidated net income after November 1, 1973. See "Dividends" and "Description of Debentures—Certain Restrictions".
Liquidation Rights	In the event of liquidation or insolvency of the Company, payment of principal and interest on the Debentures will be senior to the Common Stock but subordinate to payment of claims of holders of Senior Debt and certain other creditors.	In the event of liquidation or insolvency of the Company, each share of Common Stock will share ratably in the assets remaining after all claims of creditors, including holders of the Debentures, of the Company have been paid.
Sinking Fund and Redemption	The Debentures represent a fixed obligation to pay the principal amount on November 1, 1984. The Company is required to spend in cash on or before November 1 of each year an amount equal to 10% of the original principal amount of the Debentures either (i) in repurchasing Debentures in the open market or otherwise, or (ii) to the extent such amount is not so spent in any year, in redeeming Deben-	The Common Stock is an equity security which the Company has no obligation to repurchase in whole or in part and it is not redeemable.

	Debentures	Common Stock
	tures at their principal amount through the operation of a sinking fund. There is no maximum limitation on the amount of Debentures the Company may repurchase in the open market or otherwise. Also, the Debentures are redeemable at the Company's option at any time, in whole or in part, at the principal amount thereof.	
Taxes	Interest is taxable to the recipient. In addition, the original issue discount provisions of the Internal Revenue Code are applicable to the Debentures. See "The Exchange Offer—Federal Income Tax Consequences".	Cash dividends are taxable to the recipient and, under present law, qualify for the $100 dividends received exclusion allowable to individuals and for the intercorporate dividends received deduction allowable to corporations.
Voting Rights	Holders of Debentures will not be entitled to any voting rights (except in limited circumstances pertaining to the Debentures).	Holders of Common Stock are entitled to one vote per share upon all matters on which stockholders of the Company generally have a vote.
Market	No market exists for the Debentures and no assurance can be given that an active market will develop. The Company intends to apply for listing of the Debentures on the American Stock Exchange. Listing of the Debentures will depend upon fulfillment of the Exchange's listing requirements. See "Subsequent Trading in Debentures".	The Common Stock is listed on the New York Stock Exchange, but may be delisted after the Exchange Offer. See "Effect of the Exchange Offer—Reduction of Publicly Held Shares".

Notwithstanding the above, the Company has been advised by counsel that, in their view, payment of principal and interest on the Debentures would, in all likelihood, be subject to the existence of surplus adequate to cover such payment and the solvency of the Company at the time of payment. At August 31, 1974, giving effect to the subsequent merger of a wholly-owned subsidiary into the Company, the Company (on an unconsolidated basis) had a surplus of approximately $15,700,000. The cash payment for each share repurchased pursuant to the Exchange Offer will reduce surplus by $3. On the other hand, the cancellation of each share repurchased will increase surplus by $1, representing its former par value. Accordingly, at August 31, 1974, assuming the exchange of 1,405,008 shares of Common Stock, the Company would have had $12,889,984 of surplus available for payment of principal and interest on $11,240,064 aggregate principal amount of Debentures. See "Description of Debentures—Subordination—New York Law".

Summary Financial Information

Historical

The information set forth below has been extracted from the Company's statement of consolidated income. See "Statement of Consolidated Income".

	For the Year Ended October 31	For the Ten Months Ended August 31	
	1973(2)	1973(2)	1974(2)
	In Thousands of Dollars Except Per Share Amounts		
Gross billings	$185,250	$147,995	$152,747
Commissions and service fees	$ 27,774	$ 22,188	$ 22,901
Net income	3,375	2,361	2,389
Per share amounts(1):			
Net income	$2.08	$1.45	$1.46
Net income assuming full dilution	2.04	1.43	1.46
Cash dividends	.80(3)	.60(3)	.51

(1) The weighted average number of shares outstanding during fiscal 1973 was 1,625,215 and during the ten months ended August 31, 1973 and 1974 were 1,624,024 and 1,631,657, respectively.

(2) Includes the operations of Gardner Advertising Company, Incorporated since November 1, 1972, the effective date of acquisition.

(3) Includes $.15 with respect to the fourth quarter of the fiscal year ended October 31, 1972 which was declared on November 1, 1973.

Pro Forma

The information set forth below has been extracted from the Company's consolidated balance sheet (see "Consolidated Financial Statements") and the "As Adjusted" columns give effect to the assumptions under "Capitalization".

	August 31, 1974		
	As Reported	As Adjusted	
		50% Exchange	100% Exchange
Working capital	$ 8,714,508	$ 5,766,563	$ 3,307,799
Total assets	35,899,135	32,951,190	30,492,426
Total long-term debt	336,724	4,551,748	8,766,772
Total liabilities	18,871,136	23,086,160	27,301,185
Stockholders' equity	17,027,999	9,865,030	3,191,241

The information set forth below has been extracted from the table under "Comparative Data" and the "As Adjusted" columns give effect to the assumptions specified thereunder.

	For the Ten Months Ended August 31, 1974		
	As Reported	As Adjusted	
		50% Exchange	100% Exchange
Ratio of earnings to fixed charges(1)	8.46	3.73	2.40
Book value per share at end of period	$10.43	$10.88	$14.98
Net income per share(2)	1.46	2.15	7.06

(1) See Note K to "Statement of Consolidated Income" for method of computation.

(2) Based on weighted average number of shares outstanding during the period.

The opinion of independent certified public accountants relating to the consolidated financial statements from which certain of the above information has been extracted is qualified as to the realization of the deferred costs of a motion picture joint venture, scripts, and other creative productions. See "Opinion of Independent Certified Public Accountants".

THE EXCHANGE OFFER

Exchange Terms

The Company hereby offers, upon the terms and conditions stated in this Prospectus, to the holders of its Common Stock, to exchange cash and its Debentures for outstanding shares of Common Stock in the ratio of

$3 Cash and $8 Principal Amount of Debentures in Exchange for Each One Share of Common Stock Tendered.

Subject to such conditions, the Company is obligated to accept any and all shares of Common Stock tendered pursuant to the Exchange Offer up to a maximum of 1,405,008 shares, constituting approximately 86.1% of the outstanding shares.

Participation in the Exchange Offer by holders of Common Stock is completely voluntary. Neither the Company nor the Board of Directors makes any recommendation that stockholders tender or refrain from tendering any or all of their shares. Each stockholder should decide for himself whether to become a holder of Debentures or to remain a holder of Common Stock. See "Effect of the Exchange Offer".

Expiration and Payment Dates

The Exchange Offer will expire at 5:00 P.M., New York City time, on November 25, 1974, subject to extension by notice from the Company to the Exchange Agent named herein (such date and time, or extension thereof, being herein called the "Expiration Date"). While the Company reserves the right to extend the Exchange Offer, it is at present unable to predict if, or for how long, the offer would be extended. In no event will the Company extend the Exchange Offer beyond January 3, 1975.

Tendered shares of Common Stock may be withdrawn at any time prior to 5:00 P.M., New York City time, on November 12, 1974. Otherwise, no tendered shares may be withdrawn and all tenders are irrevocable. Transfers of record of tendered shares will not be made before November 25, 1974. Until that date, ownership of tendered shares of Common Stock will remain in the tendering holders unimpaired except for the Company's right to acquire such ownership under the Exchange Offer as of November 25, 1974.

Payments of cash and deliveries of Debentures to tendering stockholders will be made as soon as practicable after November 25, 1974 (or, to stockholders who tender during an extension of the Exchange Offer, as soon as practicable after such extension). All payments and deliveries will be made through the Exchange Agent.

Interest Payments on Debentures

Interest on the Debentures will accrue from November 1, 1974 and will be payable semi-annually on May 1 and November 1 in each year, commencing May 1, 1975, to holders of record at the close of business on April 15 or October 15 preceding such May 1 or November 1, respectively.

Conditions of the Exchange Offer

The Company may withdraw the Exchange Offer as to all shares at any time on or prior to the close of business on November 25, 1974 (and during any extension of the Exchange Offer, at any time on or prior to the expiration of such extension as to shares tendered during such extension), at its option, if any legal action or proceeding is instituted or, in the opinion of the Company, threatened in any court or by or before any governmental agency with respect to the Exchange Offer, or if any state of war or national emergency, bank moratorium or general suspension of trading on the New York or American Stock Exchanges shall have been declared or if, in the opinion of counsel for the Company, there shall have arisen any other actual or threatened legal impediment to the acquisition or ownership by the Company of the Common Stock pursuant to the Exchange Offer. Upon any withdrawal of the Exchange Offer, the Company will, at its option, either accept the shares theretofore duly tendered or return all shares theretofore tendered and not exchanged, and the Company will have no further obligation or liability with respect to the Exchange Offer. Any withdrawal shall be deemed to be made at the time of the giving of notice thereof by the Company to the Exchange Agent.

Maximum Number of Shares to be Accepted

The 1,405,008 shares of Common Stock to which the Exchange Offer extends represent, as of September 1, 1974, all of the outstanding shares of Common Stock other than the 226,850 shares owned by members of the Board of Directors of the Company, who have agreed that they will not tender any of their shares. See "Effect of the Exchange Offer". The Company has issued no shares of Common Stock since September 1, 1974 and has no plans to issue any additional shares prior to the Expiration Date. Although the Company is obligated to issue up to 334,223 shares of Common Stock pursuant to stock options outstanding under its Stock Option Plan, the exercise prices of such options and other considerations make it unlikely that such options would be exercised prior to the Expiration Date. See "Management—Incentive Plans". Accordingly, it is anticipated that there will be no increase in the number of shares outstanding prior to the Expiration Date and that all shares validly tendered pursuant to the Exchange Offer will be accepted.

Denominations of Debentures

The Debentures, to the extent possible, will be issued in denominations of $1,000 and integral multiples thereof. To the extent necessary to effect exchanges, Debentures will be issued in denominations of $500 and $100 and in denominations of less than $100. After the original issuance of Debentures, no denominations of less than $1,000 will be issued except in replacement of outstanding Debentures of the same, or an aggregation of smaller, denominations. See "Subsequent Trading in Debentures".

How to Exchange

A holder of shares of Common Stock may tender such shares by filling in and signing the Letter of Transmittal and forwarding the Letter of Transmittal, together with his stock certificates, to the Exchange Agent on or prior to the Expiration Date. *Do not send Letters of Transmittal or certificates to the Company.*

If tendered shares of Common Stock are registered in the name of a person other than the signer of the Letter of Transmittal, the signature on the Letter of Transmittal must be guaranteed by a com-

mercial bank or trust company located in the United States (a "bank") or by a member firm of a national securities exchange or the National Association of Securities Dealers, Inc. (a "member firm") and the tendered certificates must be (i) endorsed or accompanied by stock powers signed by the registered owner, whose signature on the endorsement or stock power must also be guaranteed by a bank or member firm, and (ii) accompanied by any necessary stock transfer stamps or proof of exemption from payment of such tax. Tendering stockholders who request in their Letter of Transmittal that the check and Debentures to which they are entitled be issued in the name of a third party must also arrange for their signature on their Letter of Transmittal to be guaranteed by a bank or member firm and furnish any necessary stock transfer stamps.

Tenders may be made without the concurrent deposit of certificates for Common Stock if a Letter of Transmittal, received by the Exchange Agent on or prior to the Expiration Date, contains a guarantee by a bank or by a member firm that the tendered certificates for Common Stock will be deposited within eight days after the Expiration Date.

If a stockholder desires to participate in the Exchange Offer and time will not permit his Letter of Transmittal to reach the Exchange Agent on or prior to the Expiration Date, his tender may be effected if the Exchange Agent has received on or prior to such date a telegram or letter from a bank or member firm setting forth the name of the tendering stockholder, the number of shares of Common Stock tendered and (if available) the name in which the shares being tendered are registered and the serial numbers of the certificates to be tendered, and stating that the tender is being made thereby and guaranteeing that within eight days after the Expiration Date the certificates for Common Stock, together with the Letter of Transmittal (and any other required documents), will be deposited by such bank or member firm with the Exchange Agent.

Unless the certificates being tendered by either of the methods described in the two preceding paragraphs are deposited with the Exchange Agent within eight days after the Expiration Date (accompanied by a properly completed Letter of Transmittal and any other required documents, unless previously delivered), the Company may, at its option, reject such tender. In any event, no payment will be made or Debentures issued to a tendering stockholder until his stock certificates (accompanied or preceded by a properly completed Letter of Transmittal and any other required documents) are received by the Exchange Agent.

Any irregularities in connection with a tender must be cured within such time as the Company shall determine, unless waived by the Company in its sole discretion. The Company's interpretations of the terms and conditions of the Exchange Offer and of the related Letter of Transmittal will be final. All tendered shares which are not properly tendered and as to which the Company does not waive the defect will be returned, without cost, by the Exchange Agent to the tendering holder.

Any number of shares of the Company's Common Stock may be tendered. A tendering stockholder may tender less than all of the shares represented by the certificates he holds by appropriately marking the Letter of Transmittal accompanying his tendered Common Stock certificates. See "Federal Income Tax Consequences" for information concerning possible adverse tax consequences to a stockholder who tenders less than all of his shares.

The execution and delivery of the Letter of Transmittal and the acceptance by the Company of the exchange made thereby shall constitute an agreement between the exchanging stockholder and the Company in accordance with the terms hereof and thereof.

Exchange Agent

The Exchange Agent is The Chase Manhattan Bank, N.A., New York, New York. The Letter of Transmittal and certificates for shares to be tendered should be mailed or delivered to the Exchange Agent as follows:

If by Mail

THE CHASE MANHATTAN BANK, N.A.
Post Office Box 2437
Church Street Station
New York, New York 10008

If by Hand Delivery

THE CHASE MANHATTAN BANK, N.A.
Corporate Agency Division
1 New York Plaza, 14th Floor
New York, New York 10015

Soliciting Agent

D. F. King & Co., Inc. has agreed to provide advisory and solicitation services in connection with the Exchange Offer. Additional copies of this Prospectus and the Letter of Transmittal may be obtained from, and all inquiries should be directed to

D. F. KING & Co., INC.

2 North Riverside Plaza	20 Exchange Place	3871 Piedmont Avenue
Chicago, Illinois 60606	New York, New York 10005	Oakland, California 94611
312-263-5881 (collect)	212-269-5550 (collect)	415-547-1119 (collect)

Solicitation of Acceptances

White, Weld & Co. Incorporated, as Dealer Manager, has agreed with the Company to use its best efforts to arrange for soliciting dealers, which will include White, Weld & Co. Incorporated ("Soliciting Dealers"), to solicit acceptances of the Exchange Offer. The Dealer Manager is to receive a management fee of 12½¢ per share for each share of Common Stock exchanged, but in no event less than $25,000, and is to be reimbursed for certain out-of-pocket expenses, including fees and expenses of counsel. Soliciting Dealers will be limited to members of the National Association of Securities Dealers, Inc. and foreign dealers who agree to conform to the Rules of Fair Practice of that association. A Soliciting Dealer who has entered into a Soliciting Dealer Agreement with the Dealer Manager and has been named in the appropriate box in a stockholder's Letter of Transmittal filed with the Exchange Agent will be entitled to a fee of 37½¢ per share for each share of Common Stock accompanying such letter and exchanged. There will be no maximum limit on such fees to be paid to any Soliciting Dealer. The Dealer Manager will receive payment for solicitations at the same rate as other Soliciting Dealers. The Dealer Manager and other Soliciting Dealers may be deemed to be underwriters within the meaning of the Securities Act of 1933. The Company has agreed to indemnify each of them against certain liabilities, including liabilities under the Securities Act of 1933.

D. F. King & Co., Inc. will receive a fee of $15,000, plus reimbursement for certain out-of-pocket expenses, for its services in connection with the Exchange Offer. D. F. King & Co., Inc. may also be deemed to be an underwriter within the meaning of the Securities Act of 1933.

Payment of Expenses

Assuming the exchange of 1,405,008 shares of Common Stock under the Exchange Offer, it is expected that the maximum total expenses to be incurred by the Company in connection with the

Exchange Offer, including the fees and expenses of the Dealer Manager, compensation paid to Soliciting Dealers, printing, accounting and legal fees, fees for registering the Debentures under Federal and state securities laws, American Stock Exchange listing fees for the Debentures, and miscellaneous other items would not exceed approximately $915,000. The expenses actually to be incurred in connection with the Exchange Offer cannot be estimated with accuracy because of the variable factors involved.

Federal Income Tax Consequences

The Company has been advised by its counsel, Hughes Hubbard & Reed, that the principal Federal income tax consequences of the Exchange Offer will be as follows:

(1) A holder who exchanges Common Stock pursuant to the Exchange Offer will realize capital gain or loss (assuming the shares are a capital asset to the holder) measured by the difference between (i) the fair market value of Debentures received by such holder plus the amount of cash received, and (ii) his cost or other basis for the shares of Common Stock exchanged therefor, provided that the holder's percentage of ownership* of shares of Common Stock outstanding immediately after the exchange is less than 80% of his percentage of ownership of shares of Common Stock outstanding immediately before the exchange. Since a holder will not know in advance how many shares are being exchanged by others, he will not be able to determine his percentage of ownership after the exchange until the exchange has been completed. However, since the Exchange Offer is limited to a maximum of 1,405,008 of the 1,631,858 shares of Common Stock outstanding, a holder who exchanges 90% or more of his shares* of Common Stock will have reduced his percentage ownership to less than 80% of his percentage ownership immediately before the exchange regardless of the total number of shares exchanged by others and, therefore, any such exchanging holder will realize capital gain or loss. The holder's capital gain or loss will be short term or long term, depending on whether or not the holder held or is deemed to have held his shares for more than six months.

(2) If a holder exchanges shares of Common Stock pursuant to the Exchange Offer to an extent less than that described in paragraph (1), either the holder will realize capital gain or loss as described in paragraph (1), or, if the redemption of the shares of Common Stock exchanged by the holder is deemed to be "essentially equivalent to a dividend," the holder will realize income taxable as a dividend in an amount up to the fair market value of the Debentures received plus cash received (the amount of such income being determined without reference to the holder's tax basis in the shares of Common Stock surrendered). Whether the redemption is essentially equivalent to a dividend is a question of fact as to which the result is not predictable and, therefore, a holder who wishes to exchange less than 90% of his shares should consult his own tax advisor as to the tax consequences of the exchange.

(3) The tax basis of a Debenture received by a stockholder pursuant to the Exchange Offer will be the fair market value of such Debenture, subject to possible subsequent adjustment as described below. The holding period of a Debenture so received will commence on (i) November 26, 1974 in the case of a Debenture issued in exchange for shares of Common Stock tendered on or prior to November 25, 1974 and (ii) on the day following the expiration of any extension of the Exchange Offer for shares

* Except under certain circumstances where a holder exchanges all shares of Common Stock that he owns, the constructive ownership rules set forth in Section 318 of the Internal Revenue Code will apply in the determination of the amount of Common Stock the holder owns. These complex rules deem a holder to own stock owned by certain corporations, partnerships, estates and trusts in which he has a beneficial interest, as well as the stock owned by members of his family (not including brothers and sisters), and stock as to which he has an option. An exchanging holder should consult his tax advisor for application of the constructive ownership rules to his individual case.

tendered during such extension; provided, however, that in no case will the holding period commence prior to the date following the receipt by the Exchange Agent of a tendering stockholder's stock certificates and completed Letter of Transmittal.

(4) No income, gain or loss will be recognized by the Company upon the exchange. In computing its taxable income, the Company will deduct the interest payable on the Debentures.

(5) If the "issue price" of the Debentures is 97.75%, or (as is expected) less, of their principal amount, the Debentures will be deemed to have been issued to the exchanging holder at an original issue discount in the amount of the difference between the issue price and the principal amount of the Debentures. In such a case, each exchanging holder of Common Stock receiving a Debenture and holding it as a capital asset will be required under Section 1232 of the Internal Revenue Code to report as ordinary income for each taxable year during which he holds the Debenture a ratable amount of original issue discount allocable to the period he held such Debenture during the taxable year. The tax basis of the Debenture in the hands of the holder will be increased by the amount of any such original issue discount included in his gross income. In preparing its own tax returns, the Company will deduct annually an allocable portion of any original issue discount.

(6) Upon sale or redemption of a Debenture, the holder will realize gain or loss, measured by the difference between the amount he realizes on sale or redemption and his basis in the Debentures as determined under paragraphs (3) and (5) above. Such gain or loss should be capital in nature (assuming the Debentures are a capital asset in the hands of the holder). However, if the Company at the date of the exchange is deemed to have an intention to call the Debentures before maturity within the meaning of Section 1232(a)(2) of the Internal Revenue Code, the amount of such gain to the extent of the unamortized original issue discount would constitute ordinary income.

For purposes of the foregoing paragraphs, the fair market value and the "issue price" of all Debentures (irrespective of their dates of delivery) will be their fair market value on the first day on which any Debentures are traded on an established securities market, including an over-the-counter securities market, following the Company's acceptance of tendered shares on November 25, 1974. If no Debentures are so traded during the first ten business days following November 25, 1974, their fair market value and issue price will be determined by reference to the fair market value of the Common Stock on November 25, 1974 (reduced by $3 per share to take account of cash received). The Company intends to mark the issue price, as determined by it, upon each Debenture.

The matters set forth above are included herein for general informational purposes only. It is recommended that each exchanging holder of Common Stock consult his own tax advisor as to the specific tax consequences to him of the Exchange Offer, including the application of state and local taxes.

Transfer Taxes

The Company will pay any transfer taxes that may be applicable to the transfer to it of shares of Common Stock exchanged under the Exchange Offer. However, if the Debentures are to be issued to other than the registered holder of the tendered Common Stock or if the Common Stock is tendered by other than the registered holder, any necessary stock transfer tax stamps or funds to buy such stamps must accompany the Letter of Transmittal. If such funds or stamps do not accompany the Letter of

Transmittal, the Company will have the right to deduct the applicable transfer tax from the cash payment.

EFFECT OF THE EXCHANGE OFFER

Background and Purpose

The advertising industry is a highly competitive personal service business. The ability of an advertising agency to attract and retain clients depends very substantially upon its ability to attract, motivate and retain creative and skilled personnel. Since its organization in 1966, the Company has believed that the best way to attract and motivate talented personnel is through the payment of attractive base salaries supplemented with participation in the growth of the Company through stock ownership. It was against this background that the Company initially offered its stock to the public.

The initial public offering of the Company's Common Stock was made on October 31, 1968 at $17.50 per share. A second offering was made on April 19, 1971 at $21.75 per share. Most of the shares in the first offering and all of the shares in the second offering were sold by a total of 51 stockholders who were then employees of the Company. Twenty-five of those who sold are still employed by the Company. Seven of those, who are presently members of the Board of Directors of the Company (including Mary Wells Lawrence, who sold 186,100 shares for $3,727,862), sold an aggregate of 289,850 shares for a total of $5,856,923. The 26 employees who sold in the public offerings and who are no longer employed by the Company sold 354,558 shares and received $6,729,276.

Of the 86 officers of the Company and its divisions, 63 did not participate in or benefit from either public offering. These 63 include a member of the Board of Directors, two Executive Vice Presidents and six Senior Vice Presidents, all of whom are top management people and vital to the operation of the Company.

At the time of these public offerings, the Company believed that it would be in its best interests if there were a broad market for its Common Stock, thereby creating opportunities such as employee compensation by way of stock options and business growth through acquisitions. In furtherance of this belief, the Common Stock was listed on the American Stock Exchange in 1970 and then on the New York Stock Exchange in 1971.

The Common Stock, however, has generally been lightly traded. Of even greater disappointment to the Company, the Common Stock declined from its high closing price of 27⅞ on January 31, 1972 to a low of 5½ immediately prior to announcement of the Exchange Offer. While the stock market in general, as represented by various popular averages and indices, has also declined since the Common Stock sold at its historical high price, the price decline for the Common Stock, as well as price declines for other advertising agencies' stocks, has been much sharper. This decline in the Common Stock has occurred while the Company's revenues and net income have increased. During 1974, the highest closing price has been 9⅝. The Company cannot predict the future market value of its Common Stock. See "Price Range and Volume of Common Stock" and "Reduction of Publicly Held Shares".

The Company's Board of Directors has come to the conclusion that a public market for the Common Stock is no longer providing the benefits to the Company which had originally been anticipated. In particular, because of the often uncertain and disappointing prices of the Common Stock, stock options have failed to provide the employee incentives needed by the Company, and at recent prices the Common Stock no longer serves as an effective means of acquiring other agencies. Also, unlike corporations with substantial capital requirements, the Company does not need a public market for its Common Stock for the purpose of raising capital.

On the other hand, the Board of Directors believes that, as a privately held agency, the Company would have a reduced concern for the immediate impact of costs upon earnings and of earnings upon the value of the stock. This would allow the Company a greater freedom and flexibility in the payment of cash and other remuneration (including more meaningful stock options based on book value) to its employees, thereby improving its ability to retain and motivate its staff and to improve its services to clients. See "Other Aspects of the Exchange Offer". In addition, it is believed that the greater confidentiality afforded by private status would benefit the Company in its relationships with its employees and clients and in any future negotiations for the acquisition of other advertising agencies. For these and other reasons, the Board of Directors has concluded that it would be in the best interests of the Company to purchase its publicly held shares. However, no assurance can be given that, if litigated, these reasons would be held valid.

The Exchange Offer attempts to set a value for the Common Stock only in relation to market and economic conditions prevailing prior to the announcement of the Exchange Offer and provides stockholders with the opportunity to sell their shares of Common Stock for a consideration which is anticipated to be in excess of market prices of the Common Stock prior to the announcement. The Company believes that the method of determining the value is appropriate and proper. However, no assurance can be given that, if litigated, the method would be held valid.

Neither the Company nor the Board of Directors makes any recommendation that stockholders tender or refrain from tendering any or all of their shares. Each stockholder must make his own decision whether to become a holder of Debentures or to remain a holder of Common Stock.

Non-Participation by Directors and Officers

On September 1, 1974, the officers and directors of the Company owned beneficially as a group, directly and indirectly, 269,933 shares (approximately 16.5%) of the Company's outstanding Common Stock. The directors, who owned 226,850 shares (approximately 13.9%) of the outstanding shares, have agreed that they will not tender any shares pursuant to the Exchange Offer. Furthermore, officers who are not directors and who own an additional 38,202 (approximately 2.4%) of the outstanding shares have informed the Company that they do not presently intend to tender their shares. Since directors will not be tendering and to the extent these officers do not tender, the Exchange Offer will result in an increase in their percentage ownership of the Company's Common Stock. The percentage would increase to 100% if all other shares were exchanged by the public. See "Principal Stockholders".

Comparative Data

The following table sets forth certain consolidated financial information of the Company and its subsidiaries and the pro forma effect of the Exchange Offer, assuming that 702,504 and 1,405,008 shares of Common Stock, respectively, are exchanged thereunder (in this Prospectus referred to as a "50% Exchange" and a "100% Exchange"), as if the exchange had occurred at the beginning of the periods indicated.

	Year Ended October 31, 1973			Ten Months Ended August 31, 1974		
	Actual	As Adjusted for 50% Exchange	As Adjusted for 100% Exchange	Actual	As Adjusted for 50% Exchange	As Adjusted for 100% Exchange
Total long-term debt	$ 407,483	$4,265,475	$8,123,467	$ 336,724	$ 4,722,489	$9,108,254
Total stockholders' equity*	15,467,055	8,763,867	2,226,116	17,027,999	10,107,033	3,397,682
Interest and debt discount expense	89,876	1,008,788	1,927,701	79,997	876,361	1,672,724
Net income	3,375,077	2,997,909	2,574,414	2,388,561	1,994,877	1,601,042
Ratio of earnings to fixed charges**	10.48	4.75	3.07	8.46	3.73	2.40
Shares outstanding at end of period	1,631,224	928,720	226,216	1,631,858	929,354	226,850
Net income per share ***	$2.08	$3.25	$11.69	$ 1.46	$ 2.15	$ 7.06
Book value per share at end of period				$10.43	$10.88	$14.98

* The stockholders' equity amounts in this table give effect to an assumed interest expense, debt discount amortization and other profit and loss effects as if the exchange had occurred at the beginning of the respective periods, whereas the stockholders' equity section presented under "Capitalization" assumes that the exchange was effective on August 31, 1974.

** See Note K to "Statement of Consolidated Income" for method of computation.

*** Based on weighted average number of shares outstanding during the respective periods.

The "As Adjusted" columns set forth above give effect to the following assumptions:

(a) that $3 cash and $8 principal amount of Debentures were issued in exchange for each share of Common Stock tendered.

(b) that the fair market value of the Debentures upon their issuance will be 75% of their principal amount, as to which no representation is being made. See "Subsequent Trading in Debentures". (The amount of debt discount upon issuance of the Debentures will be amortized and result in a charge against income over the term of the Debentures.)

(c) that the payments to the Dealer Manager and Soliciting Dealers will be $0.50 per share for each share exchanged. Other expenses payable by the Company in connection with the Exchange Offer will be approximately $212,000.

The assumed cost of the shares to be tendered through the Exchange Offer (items (a) through (c) above) has been charged on a pro-rata basis to Common Stock, Capital in Excess of Par Value, and Retained Earnings.

Reduction of Publicly Held Shares

The Company is unable to predict to what extent [illegible]mmon Stock will be exchanged and the numbers of publicly held shares and public stockholders thereby reduced. Because the Exchange Offer is not conditioned upon the tender of any minimum number of shares, any such reduction could be insubstantial and in such event the consequences upon non-tendering stockholders might be insignificant. See "Subsequent Trading in Debentures" for information concerning possible consequences to the Debentureholders in the event that only a small principal amount of Debentures is issued pursuant to the Exchange Offer.

On the other hand, in the event that a substantial number of shares of Common Stock are exchanged, the reduction of outstanding shares could have significant consequences to the remaining stockholders. As described below, such reduction could, among other things, affect the market prices and volatility of the remaining shares and result in the delisting of the Common Stock from the New York Stock Exchange. Stockholders should recognize that the likelihood and extent of each of the various possible consequences will depend on the extent to which shares are exchanged pursuant to the Exchange Offer. Among the consequences are the following:

(1) *Impact on market price of remaining shares.* As shown above under "Comparative Data", exchanges of Common Stock for cash and Debentures will increase the pro forma net income per share of Common Stock remaining outstanding. This may tend to increase the value of Common Stock not tendered. On the other hand, it is generally believed that a stock with a small number of publicly held shares available for trading (the "float") is likely to command a lower price to earnings ratio than would one with a large float. A reduced float may adversely affect the market price of shares of Common Stock not exchanged and may also make such price more volatile. The Company is unable to predict whether, following the expiration of the Exchange Offer, these and other factors affecting market price will cause the market price for shares of Common Stock not tendered to be more or less than the $3 cash plus the market value of the $8 principal amount of Debentures being offered in exchange for each share pursuant to the Exchange Offer.

(2) *Delisting by stock exchange; decreased liquidity of shares.* The Common Stock is presently listed on the New York Stock Exchange. It is currently the policy of the Exchange to give consideration to delisting a common stock if (i) the total number of beneficial holders of 100 shares or more falls below 1200, or (ii) the publicly held shares fall below 600,000 in number. At September 1, 1974, there were approximately 1,361,925 publicly held shares of the Company's Common Stock and 1,316 record holders of 100 shares or more. The Company does not possess information as to the number of such beneficial holders, but believes it to be greater than the number of such record holders.

White, Weld & Co. Incorporated, the Dealer Manager, has informed the Company that it intends to make an over-the-counter market in the Common Stock if it is delisted. The trading activity in any such market would depend upon a number of factors, including the number of shares remaining in public hands and the number of holders. If substantially all of the publicly held shares are exchanged, stockholders might encounter difficulty in obtaining prices they deem reasonable for their shares.

(3) *Deregistration under the Exchange Act.* The Common Stock is presently registered with the Securities and Exchange Commission under the Securities Exchange Act of 1934 (the "Exchange

Act"). At September 1, 1974, there were 2,117 stockholders of record. If the Common Stock is delisted by the New York Stock Exchange and if the number of holders of record is reduced to fewer than 300, the registration of the Common Stock under the Exchange Act would terminate upon application by the Company to the Commission. In such event, the Company no longer will be required to comply with the provisions of the Exchange Act respecting the solicitation of proxies for annual and special meetings of its stockholders. Consequently, the Company's stockholders may no longer receive materials such as annual reports and proxy materials in their present format. Also, the insider trading and reporting provisions of Section 16 of the Exchange Act would no longer be applicable. Finally, in the event that the Debentures (a) are not listed on or are subsequently delisted from the American Stock Exchange and (b) are held by fewer than 300 record holders, the Company would no longer be subject to the periodic reporting requirements of the Exchange Act. The Company does, however, intend to continue to send annual, audited financial statements to its stockholders for so long as any Debentures are outstanding. See "Description of Debentures—Reports to Debentureholders".

(4) *Possible retirement of remaining public shares.* If at least 1,291,583 shares are exchanged pursuant to the Exchange Offer, the members of the Board of Directors will own 66⅔% of the outstanding Common Stock. Upon such occurrence, they would possess the requisite voting power (without the concurrence of any other stockholder) to cause the Company to enter into a transaction which would effect the retirement of the public holdings of its shares. Depending on the form of such a transaction, the Company might be required to pay any dissenting stockholders who comply with certain statutory conditions a price determined by a court. The directors have made no determination as to whether to effect such a transaction. If such determination were made, the consideration to be received by the remaining stockholders for their Common Stock would depend on the situation of the Company at the time of such transaction and could have a value greater or less than the $3 cash plus the market value of the $8 principal amount of Debentures being offered in exchange for each share pursuant to the Exchange Offer.

Other Aspects of the Exchange Offer

The Company reserves the right in its sole discretion subsequent to the Expiration Date to purchase and make offers for Common Stock on a cash or exchange-of-securities basis, which offers could differ in terms from the Exchange Offer described herein. The Company, however, has no such present plans.

Prior to the initial public offering of the Company's Common Stock in 1968, the Company encouraged employee ownership of Common Stock by selling shares to employees and entering into agreements entitling the Company to repurchase the employees' shares at book value if the employee desired to transfer his shares. Following the Exchange Offer, the Company expects to give consideration to instituting arrangements with respect to shares owned by employees which may be similar to the former agreements or which may obligate the Company to purchase such shares at book value under certain circumstances. See "Comparative Data" for information relating to the book value of the Common Stock at August 31, 1974 and as adjusted to give effect to the Exchange Offer.

In addition, regardless of the number of shares of Common Stock exchanged pursuant to the Exchange Offer, the Company anticipates that direct compensation paid to its employees will increase over amounts paid in 1973 and 1974. In the event that the number of public stockholders of the Company is substantially reduced or eliminated, the Company may also make use of stock options based on book value, thereby increasing total remuneration substantially.

As a result of the acquisition of Common Stock pursuant to the Exchange Offer, the Company will not be able to account for any business combinations effective within two years after such acquisition on a pooling of interests basis.

PRICE RANGE AND VOLUME OF COMMON STOCK

The following table gives the reported high and low closing prices and the average daily volume for the Common Stock on the American Stock Exchange from January 1, 1971 through August 16, 1971, and on the New York Stock Exchange since August 17, 1971.

Period	High	Low	Average Daily Volume
1971:			
First Quarter	25	15¾	8,990
Second Quarter	23⅞	17⅝	10,183
Third Quarter	22½	17⅝	5,913
Fourth Quarter	22¾	15⅞	6,008
1972:			
First Quarter	27⅞	20⅛	12,800
Second Quarter	24¼	20	4,434
Third Quarter	23⅝	19¼	3,521
Fourth Quarter	21	16¾	3,752
1973:			
First Quarter	21	14	2,570
Second Quarter	14	9¾	2,661
Third Quarter	14⅛	10¼	1,465
Fourth Quarter	13½	7¼	3,639
1974:			
First Quarter	9⅝	7½	2,466
Second Quarter	9	7⅛	1,293
Third Quarter (through September 4)	7⅛	5½	1,560
(September 5 through September 30)	7¾	7⅜	7,283
Fourth Quarter (through November 1)	8¼	7½	12,425

On September 4, 1974, the reported last sale price of the Common Stock on the New York Stock Exchange prior to the announcement of the Exchange Offer was 5½ per share. The closing price on November 1, 1974 was 8⅛.

Upon completion of the Exchange Offer the Common Stock which remains outstanding may no longer satisfy the minimum distribution requirements of the New York Stock Exchange and may be delisted. See "Effect of the Exchange Offer—Reduction of Publicly Held Shares".

DIVIDENDS

The Company has paid regular quarterly cash dividends on its outstanding Common Stock since February 1971. Quarterly dividends were paid at the rate of $.15 per share from February 1971 to July 1973. Thereafter, the quarterly rate has been $.17 per share except that an additional $.03 was paid in November 1973. The most recent quarterly dividend of $.17 per share was paid on October 11, 1974 to stockholders of record on September 30, 1974.

Although the Company has no present intention to change the current dividend rate after the Exchange Offer, payment of dividends in the future rests within the discretion of the Company's Board of Directors and will depend upon, among other things, future earnings, capital requirements and financial condition. In any event, no dividends will be declared prior to the expiration of the Exchange Offer. See "Description of Debentures—Certain Restrictions" for information concerning limits upon the declaration of dividends by the Company.

SUBSEQUENT TRADING IN DEBENTURES

The Company cannot predict the initial trading prices of the Debentures, but based on current market conditions, the Debentures are likely to trade at prices significantly below their principal amount. Stockholders are urged to consult with their investment advisors as to the price at which the Debentures can be expected to trade.

There is at present no established market for the Debentures. However, it is anticipated that the Debentures will be traded in the over-the-counter market immediately after issuance and that they may be traded on a "when-issued" basis prior to the Expiration Date. The Company intends to make application for the listing of the Debentures on the American Stock Exchange as soon as practicable after the Expiration Date. Generally, the American Stock Exchange requires that in order to list debentures, at least $1,500,000 in principal amount of the debentures must be issued, the aggregate market value of the issued debentures (determined by the price at which the debentures are traded on an established securities market on the first day of trading of the debentures) must be not less than $1,500,000 and the debentures must be held (in denominations of $1,000 or multiples thereof) by at least 300 persons. There can be no assurance that the Company will meet such requirements or that its application for listing will be approved by such Exchange. Debentures that are listed on the American Stock Exchange may, under Exchange policy, be delisted if the aggregate outstanding principal amount or market value of the publicly held debentures falls below $400,000.

It is the policy of the American Stock Exchange that only debentures in principal amounts of $1,000 and integral multiples thereof may be traded on the Exchange. Accordingly, it is anticipated that Debentures in principal amounts of less than $1,000 will be traded in the over-the-counter market. Prices obtainable for such Debentures may be generally lower than those for Debentures in principal amounts of $1,000 and integral multiples thereof.

The liquidity of trading markets will depend principally on the total amount of the Debentures issued pursuant to this Exchange Offer and the total number of individual holders of the Debentures after such issuance. The Exchange Offer is not conditioned on a minimum number of shares being tendered.

In general, so long as the Debentures are not listed on the American Stock Exchange, they will not be marginable in brokerage accounts unless the Common Stock exchanged for the Debentures was held in such accounts at the time of the exchange, in which event any credit extended prior thereto may be maintained. Since individual brokerage firms have different rules, stockholders whose shares are held in such accounts should consult their broker as to the effect on their accounts if they exchange their shares hereunder.

DESCRIPTION OF DEBENTURES

General

The Debentures are to be issued under an indenture to be dated as of November 1, 1974 (the "Indenture"), between the Company and The Chase Manhattan Bank, N.A. (the "Trustee"). The following statements are brief summaries of certain provisions of the Indenture, a copy of which is filed as an exhibit to the Registration Statement. For a complete statement of the provisions of the Indenture, reference is hereby made to such exhibit, and the description which follows is qualified in its entirety by such reference. Terms defined in the Indenture are used herein as so defined.

The Debentures will be unsecured obligations of the Company, will be limited to an aggregate principal amount of $11,240,064, will mature on November 1, 1984 and will bear interest from November 1, 1974 at 10% per annum payable on May 1 and November 1 in each year, commencing May 1, 1975, to registered holders at the close of business on the April 15 and October 15 preceding the interest payment date. Interest will be paid by checks mailed to such persons at their registered addresses, and holders of the Debentures should inform the Trustee upon any change of address in order to insure prompt receipt of interest payments and notices given under the Indenture. In the event of default in the payment of interest, such interest shall be paid to the persons in whose names the Debentures are registered on a subsequent record date established for payment of such defaulted interest. The Debentures will be fully registered, without coupons. See "The Exchange Offer—Denominations of Debentures" for information regarding the denominations in which the Debentures will be issued.

Subordination

The payment of the principal of and the interest on the Debentures is expressly subordinated, to the extent and in the manner set forth in the Indenture, in right of payment to the prior payment of all Senior Debt. The term "Senior Debt" is defined to mean all indebtedness of the Company (other than the Debentures), whether outstanding on the date of the Indenture or thereafter created, (a) for money borrowed, whether evidenced by notes, debentures, bonds or other written obligations or evidenced by a loan agreement or an indenture or similar instrument, (b) for money borrowed by others and assumed or guaranteed, directly or indirectly, by the Company and (c) deferrals, renewals, extensions and refundings of, and amendments to, any such indebtedness; unless the terms of the instrument creating or evidencing the indebtedness provide that it is not superior in right of payment to the Debentures. Senior Debt shall not include purchase money obligations, whether or not evidenced by a note or similar instrument, incurred in connection with the purchase of any properties or assets or in connection with obtaining any materials or services. By reason of such subordination, upon the maturity of any Senior Debt, full payment in accordance with the terms thereof must be made or provided for before any payment of principal or interest is made upon the Debentures and, in the event of bankruptcy, insolvency, dissolution, winding up, liquidation, reorganization or readjustment of the Company, payment of the principal and interest on the Debentures will be subordinated to the prior payment in full of all Senior Debt and nothing shall be paid to the holders of the Debentures unless all amounts due to the holders of Senior Debt have been paid or provided for. Therefore, in the event of insolvency, creditors of the Company who are holders of Senior Debt, as well as general creditors of the Company, who are not holders of Senior Debt, may recover more, ratably, than the holders of the Debentures. In addition, the Indenture also provides, in effect, that if an event of default with respect to any Senior Debt shall have occurred and be continuing and not cured or waived, no payment of principal or interest

on the Debentures (even though the maturity thereof may have been accelerated) may be made. On the date hereof, there is $140,000 of Senior Debt outstanding. See "Capitalization".

Such subordination provisions will not change the relative rights of the holders of the Debentures and creditors of the Company other than the holders of Senior Debt.

New York Law. The statutory law of New York, under which the Company is incorporated, provides that a New York corporation may purchase its own stock out of surplus, unless the company is insolvent or would thereby be rendered insolvent. "Surplus" is defined under the New York law as the excess of net assets over stated capital, and "insolvent" is defined as the inability to pay debts as they become due in the usual course of the debtor's business. Hughes Hubbard & Reed, counsel to the Company, have advised the Company that, although to their knowledge no court has directly considered the effect of these restrictions upon the purchase by a publicly-held New York corporation of its own shares through the issuance of its debt securities, in their view, payment of principal and interest on the Debentures issued in exchange for Common Stock would, in all likelihood, be subject to the existence of surplus and the solvency of the Company at the time of such payment. Such counsel are of the view that for this purpose the Company would be entitled to include, in calculating its surplus at the time of payment, any amounts deducted from surplus for accounting purposes upon the expiration of the Exchange Offer. As of August 31, 1974, giving effect to the subsequent merger of a wholly-owned subsidiary into the Company, the Company (on an unconsolidated basis) had a surplus of approximately $15,700,000. The cash payment for each share repurchased pursuant to the Exchange Offer will reduce surplus by $3. On the other hand, the cancellation of each share repurchased will increase surplus by $1, representing its former par value. Accordingly, at August 31, 1974, assuming a 100% Exchange, the Company would have had $12,889,984 of surplus available for payment of principal and interest on $11,240,064 aggregate principal amount of Debentures.

Such counsel have also advised that in the event of an insolvency proceeding affecting the Company, the Debentures would be subordinated to all indebtedness of the Company outstanding at the date of issuance of the Debentures and to claims arising subsequent thereto held by creditors who did not have knowledge of the existence of the Debentures. In addition, counsel have advised that, although courts in jurisdictions other than New York have held that evidences of indebtedness issued in exchange for stock are subordinate to all indebtedness outstanding at the time of insolvency proceedings, it appears that under New York law the Debentures (i) would not be subordinate to, but would be on a parity with, claims of creditors (other than holders of Senior Debt) arising subsequent to the issuance of the Debentures who had actual knowledge of the Company's obligations under the Debentures, and (ii) would have priority over the then outstanding Common Stock of the Company.

Redemption Provisions

The Debentures are redeemable at the option of the Company, as a whole or from time to time in part, at the principal amount thereof together with interest accrued to the date fixed for redemption, upon not less than 30 days' written notice to the registered holders of all Debentures to be redeemed. If less than all the outstanding Debentures are to be redeemed, the Trustee shall select by lot the particular Debentures to be redeemed.

The Debentures are also subject to redemption through the operation of a Sinking Fund upon at least 30 days' written notice to the registered holders of all Debentures to be redeemed.

Sinking Fund

The Company is to pay into the Sinking Fund on or before November 1 of each of the years 1975 to 1983, inclusive, an amount in cash equal to 10% of the aggregate principal amount of the originally outstanding Debentures ("Mandatory Payment"). Cash paid into the Sinking Fund on each such November 1 shall be used by the Trustee to redeem outstanding Debentures at 100% of their principal amount together with interest accrued to the date of redemption.

The Company may reduce any Mandatory Payment by crediting against such payment an amount equal to the funds expended (including commissions, if any, but excluding amounts paid for accrued interest) by the Company at any time from September 1 of the immediately preceding year to September 1 of the year of the required deposit for the acquisition of outstanding Debentures which the Company has (a) redeemed other than through operation of the Sinking Fund, (b) purchased in public or private sales or on the open market, or (c) otherwise acquired, and deposited with the Trustee for cancellation; provided, that if funds expended (including commissions, if any, but excluding amounts paid for accrued interest) for the acquisition of any Debenture exceed the principal amount of that Debenture, any such excess shall not be entitled to such a credit. The Company presently intends to satisfy its Sinking Fund requirements through credits against the Mandatory Payment for the acquisition of the Debentures other than through operation of the Sinking Fund where the Debentures can be so acquired at a cost lower than their principal amount. In the absence of a significant decline in interest rates, the Company expects that it will be able to acquire most, if not all, the Debentures at a cost lower than their principal amount.

Defaults and Notice Thereof

The holders of a majority in principal amount of all outstanding Debentures will have the right to direct the time, method and place of conducting any proceeding for exercising any remedy available to the Trustee. The Trustee or the holders of not less than 25% in principal amount of Debentures then outstanding may, if an Event of Default as defined in the Indenture occurs, by a notice in writing to the Company (and to the Trustee if given by the Debentureholders) declare the principal of all of the Debentures then outstanding and the interest accrued thereon to be due and payable immediately. In case any such Event of Default shall occur (which has not been cured) the Trustee is required to use the degree of care of a prudent man in the conduct of his own affairs. Subject to such provisions, the Trustee will be under no obligation to exercise any of its rights or powers under the Indenture at the request of any of the Debentureholders unless they shall have offered to the Trustee reasonable security or indemnity for its costs, expenses and liabilities. Except as specifically provided in the Indenture, nothing therein relieves the Trustee from liability for its own negligent action, its own negligent failure to act, or its own wilful misconduct.

The following types of events constitute Events of Default as defined in the Indenture: failure for 30 days to pay interest when due; failure to pay principal, including any Mandatory Payment, when due; failure to perform any other covenants for 30 days after written notice; failure to pay principal on Senior Debt at the maturity thereof or the occurrence of a default with respect to any such Senior Debt which default shall result in acceleration of such indebtedness and such Senior Debt shall not be paid in full, or such acceleration not be rescinded or annulled, within 10 days after written notice; the

occurrence of an event of default under any mortgage, indenture or instrument under which there may be issued, or by which there may be secured or evidenced, any indebtedness for money borrowed, which shall result in acceleration of such indebtedness and such acceleration shall not be rescinded or annulled within 10 days after written notice; and certain events in bankruptcy, insolvency, or reorganization.

The Indenture provides that the Trustee shall, within ninety days after the occurrence of a default, give to the Debentureholders notice of all uncured defaults known to it; provided that, except in the case of default in the payment of principal of or interest on any of the Debentures or the payment of any Mandatory Payment, the Trustee shall be protected in withholding such notice if it in good faith determines that the withholding of such notice is in the interests of the Debentureholders.

The Company must deliver to the Trustee annually an officers' certificate stating whether or not the signers thereof have obtained knowledge of any default by the Company in the performance or fulfillment of the covenants, agreements and obligations contained in the Indenture and, if so, specifying each such default and the nature thereof.

Modification of the Indenture

With certain exceptions, the Indenture, the rights and obligations of the Company and the rights of the Debentureholders may be modified by the Company only with the consent of the holders of not less than 66⅔% in principal amount of the Debentures then outstanding; but no such modification may (i) extend the fixed maturity of any Debentures, or reduce the principal amount thereof, or reduce the rate or extend the time of payment of interest thereon, without the consent of the holder of each Debenture so affected, or (ii) reduce the aforesaid percentage of Debentures, the consent of the holders of which is required for any such modification, without the consent of the holders of all outstanding Debentures, or (iii) modify the provisions of the Indenture relating to the subordination of the Debentures in a manner adverse to the holders of Senior Debt without the consent of all of the holders of such Senior Debt, or (iv) modify the provision of the Indenture relating to the Sinking Fund, without the consent of the holders of all outstanding Debentures.

Certain Restrictions

Under the Indenture, the declaration of dividends by the Company (other than dividends payable in shares of any class of stock of the Company) after November 1, 1974 is limited to 50% of the consolidated net income of the Company and its subsidiaries for the period from November 1, 1973 through the end of the fiscal quarter preceding the date of such declaration. The Company is not restricted by the Indenture from making any other distribution on its capital stock or purchasing or redeeming any of its capital stock. Furthermore, the Indenture does not restrict the Company from incurring or being liable upon any Senior Debt or from creating liens on its property.

Paying Agent and Registrar

The Trustee is to be the paying agent and registrar for the Debentures.

Reports to Debentureholders

If, and for so long as, the Debentures are listed on the American Stock Exchange, the Company will be required under the proposed listing agreement with the Exchange to send annual, audited financial statements to the Debentureholders and to publish quarterly statements of revenues and earnings. In any event, the Company intends to send such annual statements to Debentureholders for so long as any Debentures shall be outstanding.

CAPITALIZATION

The following table sets forth the consolidated capitalization of the Company and its subsidiaries as of August 31, 1974, and as adjusted to assume a 50% Exchange (702,504 shares) and a 100% Exchange (1,405,008 shares) under the Exchange Offer:

	August 31, 1974		
		As Adjusted(2)	
	Before Adjustment	50% Exchange	100% Exchange
SHORT-TERM DEBT:			
CURRENT MATURITIES:			
SENIOR DEBT(1):			
Note Payable Quarterly Through June 30, 1976, 1% Above Prime Rate	$ 80,000	$ 80,000	$ 80,000
OTHER:			
10% Installment Loan Payable Monthly Through May 1, 1986	12,700	12,700	12,700
Total Short-Term Debt	$ 92,700	$ 92,700	$ 92,700
LONG-TERM DEBT:			
SENIOR DEBT(1):			
Note Payable Quarterly Through June 30, 1976, 1% Above Prime Rate	$ 80,000	$ 80,000	$ 80,000
OTHER:			
10% Installment Loan Payable Monthly Through May 1, 1986	256,724	256,724	256,724
SUBORDINATED DEBT(2):			
10% Subordinated Sinking Fund Debentures Due November 1, 1984	—	5,620,032	11,240,064
Less Assumed Debt Discount(2)	—	(1,405,008)	(2,810,016)
Subordinated Debt, Less Assumed Debt Discount	—	4,215,024	8,430,048
Total Long-Term Debt	336,724	4,551,748	8,766,772
STOCKHOLDERS' EQUITY(3)(4):			
Common Stock $1 par value— Authorized, 5,000,000 Shares; Issued as of August 31, 1974—1,689,195 Shares	1,689,195	986,691	284,187
Capital in Excess of Par Value	3,851,908	2,249,899	647,891
Retained Earnings	12,500,212	7,641,756(4)	3,272,479(4)
	18,041,315	10,878,346	4,204,557
Less Cost of Shares of Common Stock in Treasury—57,337 Shares	(1,013,316)	(1,013,316)	(1,013,316)
Total Stockholders' Equity	17,027,999	9,865,030	3,191,241
Total Long-Term Debt and Stockholders' Equity	$17,364,723	$14,416,778	$11,958,013

(1) These amounts represent an installment note payable by Gardner Advertising Company, Incorporated, a wholly-owned subsidiary of the Company at August 31, 1974, which was merged into the Company

effective September 30, 1974. Under the terms of the Indenture described under "Description of Debentures", such amounts are considered "Senior Debt" of the Company, and the payment of principal and interest on the Debentures to be issued by the Company under the "Exchange Offer" are subordinated in right of payment to such amounts.

(2) The "As Adjusted" columns set forth above give effect to the following assumptions:

(a) that $3 cash and $8 principal amount of Debentures were issued in exchange for each share of Common Stock tendered.

(b) that the fair market value of the Debentures upon their issuance will be 75% of their principal amount, as to which no representation is being made. See "Subsequent Trading in Debentures". (The amount of debt discount upon issuance of the Debentures will be amortized and result in a charge against income over the term of the Debentures.)

(c) that the payments to the Dealer Manager and Soliciting Dealers will be $0.50 per share for each share exchanged. Other expenses payable by the Company in connection with the Exchange Offer will be approximately $212,000.

The assumed cost of the shares to be tendered through the Exchange Offer (items (a) through (c) above) has been charged on a pro-rata basis to Common Stock, Capital in Excess of Par Value, and Retained Earnings.

(3) For certain information as to shares of Common Stock reserved for issuance under the Company's Stock Option Plan, see "Management—Incentive Plans" and Note 7 of Notes to Consolidated Financial Statements.

(4) Retained Earnings as of August 31, 1974 have been reduced by $277,416, the approximate amount of the Company's regular quarterly dividend on its outstanding Common Stock declared on September 4, 1974 and payable on October 11, 1974 to stockholders of record on September 30, 1974.

Fixed Cash Payment Requirements

The following schedule sets forth certain of the Company's estimated fixed cash payment requirements (exclusive of payments under certain employment and deferred compensation agreements described under "Management" and in Notes 8 and 9 of Notes to Consolidated Financial Statements), assuming the Exchange Offer is 100% successful. Payment requirements are based on the debt outstanding as of August 31, 1974 as reflected in the table under "Capitalization" and on the estimated payment requirements for the Debentures assuming that the Exchange Offer is 100% successful and that no Debentures are purchased by the Company in the open market or redeemed at the option of the Company.

	September 1 to October 31 1974	Year Ended October 31			
		1975	1976	1977	1978
Rent	$ 252,000	$1,497,000	$1,521,000	$1,632,000	$1,519,000
Debt Principal(1)	22,117	1,216,929	1,198,290	1,139,8[illegible]	41,428
Debt Interest(2)	6,128	1,164,455	1,[illegible]0,301	922,[illegible]	508,453
Total	$ 280,245	$3,878,384	$3,759,591	$3,694,3[illegible]	3,568,881

(1) Includes mandatory annual sinking fund installments of $1,124,006 representing 10% of the initial aggregate principal amount of the Debentures assuming the Exchange Offer is 100% successful. No sinking fund installments are required to be made during the remainder of fiscal 1974. To the extent the Company makes open market purchases of Debentures at prices below their principal amount, the Company will receive credits against the sinking fund payment obligations. See "Description of Debentures—Sinking Fund".

(2) Includes annual interest requirements of $1,124,006, $1,011,605, $899,205, and $786,804, in years 1975 through 1978 in the amount of 10% of the aggregate principal amount of the Debentures outstanding assuming the Exchange Offer is 100% successful and 10% of the initial aggregate principal amount of the Debentures is retired in each of the years.

WELLS, RICH, GREENE, INC. AND SUBSIDIARY COMPANIES

STATEMENT OF CONSOLIDATED INCOME

The following statement of consolidated income for the five years ended October 31, 1973 and for the ten months ended August 31, 1974 and 1973 has been examined by Haskins & Sells, independent certified public accountants, as set forth in their opinion (which is qualified as to the realization of the costs of the motion picture joint venture, scripts and other creative productions explained in Note 5 to Consolidated Financial Statements) included elsewhere in this Prospectus. Results of operations for the ten months ended August 31, 1974 are not necessarily indicative of operations for the entire fiscal year 1974. This statement should be read in conjunction with its notes and the other consolidated financial statements and notes thereto included elsewhere herein.

	Year Ended October 31					Ten Months Ended August 31	
	1969	1970	1971	1972	1973 (Note B)	1973 (Note B)	1974
Gross billings (Note A)	$77,371,000	$91,589,000	$108,008,000	$114,932,000	$185,250,000	$147,995,000	$152,747,000
Revenues:							
Commissions and service fees (Note A)	$11,599,832	$13,731,538	$ 16,193,095	$ 17,231,204	$ 27,773,675	$22,188,198	$22,900,628
Other income—net (Note C)	151,453	188,914	56,081	157,287	701,069	461,297	401,345
Total	11,751,285	13,920,452	16,249,176	17,388,491	28,474,744	22,649,495	23,301,973
Expenses (Note E):							
Salaries, wages and employee benefits (Note F)	5,601,142	6,284,420	5,725,535	6,018,857	11,755,331	9,818,251	10,216,271
Other office and general expense	2,600,662	2,806,630	3,501,266	4,374,540	7,454,967	5,988,173	6,603,070
Amortization of motion picture, scripts, etc. (Note D)	—	—	—	—	988,363	972,546	637,723
Amortization of deferred costs of advertising, etc.	591,868	461,581	644,279	525,755	647,549	489,794	731,745
Depreciation and amortization of property	101,481	221,560	323,933	363,882	622,904	533,080	484,772
Total	8,895,153	9,774,191	10,195,013	11,283,034	21,469,114	17,801,844	18,673,581
Income before income taxes	2,856,132	4,146,261	6,054,163	6,105,457	7,005,630	4,847,651	4,628,392
Income taxes (Note G)	1,269,397	2,167,791	3,435,157	3,095,594	3,630,553	2,486,726	2,239,831
Net income	$ 1,586,735	$ 1,978,470	$ 2,619,006	$ 3,009,863	$ 3,375,077	$ 2,360,925	$ 2,388,561
Weighted average number of shares outstanding during each period	1,555,216	1,578,669	1,576,301	1,587,608	1,625,215	1,624,024	1,631,657
Per share of common stock:							
Net income (Notes G and H)	$1.02	$1.25	$1.66	$1.90	$2.08	$1.45	$1.46
Net income assuming full dilution (Notes G and H)	$1.02	$1.24	$1.63	$1.83	$2.04	$1.43	$1.46
Cash dividends (Note I)			$ .60	$ .45	$ .80	$ .60	$ .51
Ratio of earnings to fixed charges (Note K)	13.67	17.72	26.05	25.70	10.48	9.15	8.46

See Notes to Statement of Consolidated Income.

NOTES TO STATEMENT OF CONSOLIDATED INCOME

A. See Note 1 to Consolidated Financial Statements for a description of the accounting for "Gross billings" and "Revenues—Commissions and service fees".

B. Includes the results of operations of Gardner Advertising Company, Incorporated since November 1, 1972, the effective date of acquisition. See Note 2 of Notes to Consolidated Financial Statements for additional information as to this acquisition.

C. "Other income—net" includes:

	Year Ended October 31					Ten Months Ended August 31	
	1969	1970	1971	1972	1973	1973	1974
Income from oil and gas properties		$180,000	$232,000	$162,000	$114,133	$ 78,421	$142,486
Less amortization and other costs		71,000	163,000	94,000	107,000	89,555	70,234
Net		109,000	69,000	68,000	7,133	(11,134)	72,252
Income related to motion picture and other productions		—	—	—	431,000	368,052	104,082
Miscellaneous—net	$151,453	79,914	(12,919)	89,287	262,936	104,379	225,011
Total	$151,453	$188,914	$ 56,081	$157,287	$701,069	$461,297	$401,345

There was no significant production from oil and gas properties prior to the year ended October 31, 1970. See Note G below and Notes 1, 3 and 5 of Notes to Consolidated Financial Statements.

D. See Notes 1 and 5 of Notes to Consolidated Financial Statements.

E. In accordance with the Company's method of accounting for costs of advertising and product development services (see Note 1 to Consolidated Financial Statements), the amount of costs deferred (exclusive of the provision for taxes relating thereto) during the five years ended October 31, 1973 was $415,280, $506,611, $812,844, $919,323 and $1,323,159, respectively. The amount of such costs deferred during the ten months ended August 31, 1973 and 1974 was $1,190,970 and $815,058, respectively.

F. See Notes 1, 7, 8 and 9 of Notes to Consolidated Financial Statements for descriptions of and accounting for the Company's Incentive Stock Purchase and Executive Incentive Plans and of its employment contracts with key employees. Contributions under the Executive Incentive Plan for the five years ended October 31, 1973 amounted to $92,500, $122,500, $181,000, $260,000 and $418,000, respectively. Provisions for executive incentive compensation for the ten months ended August 31, 1973 and 1974 amounted to $220,675 and $201,755, respectively, based upon the net earnings from operations of the Company and its consolidated subsidiaries before taxes (as defined) during such periods.

In August 1968, the Company adopted a Profit Sharing Plan whereby, effective with the fiscal year beginning November 1, 1968, the Company could at its discretion make contributions to an employee Profit Sharing Trust. The Plan was terminated by the Board of Directors on January 5, 1971. The profit sharing contribution amounted to $155,000 in 1969; no contributions were made to the Trust in 1970 and 1971.

NOTES TO STATEMENT OF CONSOLIDATED INCOME—(Continued)

G. The components of income tax expense are as follows:

	Year Ended October 31					Ten Months Ended August 31	
	1969	1970	1971	1972	1973	1973	1974
Taxes currently payable:							
Federal	$ 716,155	$1,492,709	$2,526,324	$2,372,020	$2,475,697	$1,536,134	$1,925,221
State and other	207,798	384,949	777,636	579,696	821,797	584,361	561,283
Deferred income taxes:							
Federal	316,349	225,160	78,373	128,444	304,023	325,536	(174,253)
State and other	46,263	64,973	57,251	52,525	34,502	45,695	(72,420)
Investment tax credit	(17,168)	—	(4,427)	(37,091)	(5,466)	(5,000)	—
Total	$1,269,397	$2,167,791	$3,435,157	$3,095,594	$3,630,553	$2,486,726	$2,239,831

Deferred income taxes result principally from timing differences in the expensing of the costs of advertising and product development services for income tax and financial statement purposes ($330,776 and $31,974 for the year ended October 31, 1973 and the ten months ended August 31, 1974, respectively). For the ten months ended August 31, 1974, deferred taxes also include a deferred tax benefit of $299,206 resulting from the amortization of a motion picture joint venture by the Company's 80%-owned subsidiary which will be expensed for income tax purposes in future years.

Total income tax expense exceeded the statutory Federal income tax rate of income before income taxes as follows:

	Year Ended October 31, 1973	Ten Months Ended August 31, 1974
Statutory rate	48.0 %	48.0 %
Increases (reductions) in taxes resulting from:		
State and other income taxes, net of Federal income tax benefit	6.7	5.0
Other	(2.9)	(4.6)
Effective tax rate	51.8 %	48.4 %

Intangible drilling and development costs for both productive and non-productive oil and gas wells, which are capitalized for financial accounting purposes, are deducted for income tax purposes during the period incurred. No deferred taxes have been provided on approximately $750,000 in 1969 and $278,000 in 1970 of such costs since, in the opinion of management, these costs are not in excess of the estimated future tax deductions for depletion relating to the recovery of reserves from the applicable properties. The tax effect of such policies increased consolidated net income for 1969 and 1970 by approximately $400,000 ($.26 a share) and $150,000 ($.10 a share), respectively. No intangible drilling and development costs were incurred subsequent to 1970. See Note 1 of Notes to Consolidated Financial Statements.

H. See Note 1 of Notes to Consolidated Financial Statements.

I. Cash dividends for fiscal 1973 and the ten months ended August 31, 1973 include a dividend of $.15 with respect to the fourth quarter of fiscal 1972 which was declared November 1, 1973. On September 4, 1974, the Board of Directors declared a regular quarterly cash dividend of $.17 per share of outstanding common stock payable on October 11, 1974 to stockholders of record on September 30, 1974. See Note 10 of Notes to Consolidated Financial Statements and "Dividends".

NOTES TO STATEMENT OF CONSOLIDATED INCOME—(Continued)

J. Supplementary income statement information is as follows:

	Year Ended October 31					Ten Months Ended August 31	
	1969	1970	1971	1972	1973	1973	1974
Maintenance and repairs	$ 47,777	$ 67,054	$ 58,262	$ 93,920	$ 277,361	$ 188,854	$ 124,207
Taxes other than income taxes:							
Payroll taxes	179,694	165,065	156,373	189,680	448,152	410,683	422,015
Other	52,686	34,811	51,232	56,044	106,829	81,862	97,245
Rents	399,555	761,421	731,085	811,422	1,468,568	1,166,435	1,393,446

K. For purposes of the ratio of "earnings to fixed charges", "earnings" represent income before income taxes and fixed charges. "Fixed charges" include interest and amortization of debt discount plus the interest portion of operating rents charged to expense.

The pro forma ratio of earnings to fixed charges (unaudited) as set forth below has been computed after giving effect to certain adjustments as reflected in the pro forma information referred to under "Comparative Data".

	Assuming	
	50% Exchange	100% Exchange
	(Unaudited)	
Year ended October 31, 1973	4.75	3.07
Ten months ended August 31, 1974	3.73	2.40

MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE STATEMENT OF CONSOLIDATED INCOME

The following information is given to further explain certain financial information shown in the Statement of Consolidated Income. See Note 1 to the Notes to Consolidated Financial Statements for a summary of the accounting policies that are significant in evaluating the results of operations of the Company.

Effective at the beginning of fiscal 1973, the Company acquired Gardner Advertising Company, Incorporated ("Gardner"). The information related to the pro forma effect of such acquisition is set forth in Note 2 to the Notes to Consolidated Financial Statements.

Commissions and service fees—Commissions and service fees were higher in fiscal 1973 than in 1972 as a result of new client and new product assignments. A new product on which the Company had been working for a long period of time was introduced in the middle of 1973 and accounted for a substantial portion of the increase.

Other income-net—In 1971 the Company suffered a $70,000 capital loss on the sale of securities; as a result other income for 1972 appeared to have increased substantially. In 1973 the Company's subsidiary, WRG/Dragoti Ltd., began operations in the television commercial production and special presentations field; of the increase in other income over the previous year, $431,000 resulted from these operations. During 1974 the income from this source was $260,000 less than in 1973; the figures, however, show a loss of only $60,000 because the Company earned approximately $200,000 more from its oil and gas properties and in interest income.

Salaries, wages and employee benefits—In 1971 "Salaries, wages and employee benefits" were substantially less than in the previous year as a result of a management decision to reduce staff. In 1973 salaries, wages and employee benefits increased primarily because of an approximate 20% increase

in creative and account service staff as a result of new business, the expansion of services to existing clients and increased salary levels. See Note J to the Statement of Consolidated Income as to the increase in related payroll taxes in 1973.

Other office and general expense—In order better to serve its clients, the Company increased its media and market research services during 1972. This, in addition to the increase in rent, was the primary cause for the increase of 1972 "Other office and general expense" over 1971. See Note J to Statement of Consolidated Income. During 1973 the integration of the newly acquired Gardner operations, establishment of relationships with Gardner clients and the exploration of growth and new business opportunities resulting from the acquisition resulted in an increase in expenses of approximately $300,000. The entrance in 1973 of WRG/Dragoti Ltd. into the television commercial production and special presentations field increased expenses in this category by approximately $100,000 while producing approximately $431,000 additional income. Many normal operating expenses, such as rent escalation, telephone, supplies and repairs and maintenance increased substantially because of the upward cost trend in the economy. See Note J to Statement of Consolidated Income as to increases in rent and repairs and maintenance. During 1974 the Company leased an additional floor contiguous to its executive offices in New York. Although some of the space was subleased, the additional space and increased escalation charges accounted for increased rent expense. See Note J to Statement of Consolidated Income. Furthermore, the Company's data processing program was expanded in 1974.

Amortization of motion picture, scripts, etc.—The distribution of the motion picture "Dirty Little Billy" produced by WRG/Dragoti Ltd. began in 1973. During 1973, based on the extent of the domestic theater exhibition during the year and expected net realizable value, 50% of the accumulated costs were amortized. In 1974 based on the extent of domestic and foreign theater exhibition and expected net realizable value, 37% of the accumulated costs were amortized, leaving an unamortized balance of deferred movie costs of $200,000 at August 31, 1974.

Amortization of deferred costs of advertising, etc.—During 1971 certain deferred costs which had been accumulated in prior years in connection with new clients or products were fully amortized. As a result, amortization was higher in 1971 than in 1972. In general, variations in the amount of amortization from year to year are caused by such factors as the time of new assignments (either new clients or new products), the amount of expenses incurred during the period of deferral and, particularly in the case of new products, the time elapsed between the start of deferral and the commencement of advertising. Thus, for example, in 1973 amortization of deferred costs was higher than in 1972 primarily because a major new product on which the Company had deferred a large amount of costs was introduced and amortization of such costs began. Again in 1974, amortization was substantially higher than in the previous year because a greater amount of deferred costs reached the stage where, in accordance with the Company's deferral system, amortization began.

Depreciation and amortization of property—Depreciation and amortization of property increased in 1973 over 1972 primarily because of a write-off of leasehold improvements by the Company after surrendering most of its space at 575 Madison Avenue. Also, normal additions of furniture, equipment and leasehold improvements to the Company's offices necessitated increased depreciation and amortization charges during 1973.

Income taxes—During 1973 the effective income tax rate was somewhat higher than in 1972, accounting for about $65,000 of the total increase in taxes from one year to the next. The principal cause of the increase however, was an increase in taxable income.

THE COMPANY

Wells, Rich, Greene, Inc. is a full service advertising agency. It was incorporated under the laws of the State of New York and commenced business in April 1966. According to statistics published by Advertising Age based upon statistics voluntarily submitted by 689 agencies for the year 1973, the latest available, it was the 13th largest advertising agency in the United States in terms of gross billings.

The Company's principal executive offices are located at 767 Fifth Avenue, New York, New York 10022 (telephone number (212) 758-4300).

BUSINESS

The Company attempts to increase the sales of its clients' products or services through the creation and execution of effective advertising. As a full service advertising agency, the Company, after a study of a client's products or services, their present and potential markets, the objectives of the client and the available media, proposes an advertising program. Such a proposal includes recommendations as to the advertising message to be presented, the media plan, e.g., use of television, radio, newspapers, magazines and outdoor advertising, and also recommendations with respect to such other matters as product packaging, sales promotion, fashion and styling. After the client and the Company have agreed on the advertising program, the Company writes and produces commercials for use on television and radio and writes, designs and illustrates advertising for printed media. The Company supervises production of advertising, plans and contracts advertising time and space, arranges for the timely distribution of advertising materials to the media for broadcast or publication and reviews and analyzes the results of the advertising.

Gardner Advertising Company ("Gardner"), a division of the Company, in addition to full service advertising, offers specialized advertising services under the modular advertising concept. Under this concept, a client may purchase agency services separately without becoming a full service client. The Company acquired Gardner, an advertising agency with its principal executive offices in St. Louis, Missouri, on December 8, 1972 in exchange for 77,476 shares of the Company's Common Stock. On August 30, 1972, the date upon which agreement in principle was reached, the market price of the Common Stock was $21.875. As of November 30, 1972, Gardner's net tangible book value was $1,778,839. For the three years ended December 31, 1969, 1970 and 1971, Gardner's revenues were $7,949,874, $8,829,732 and $9,133,052, respectively, and for the same years net income was $62,296, $207,845 and $209,309, respectively. Subsequent to the purchase, the Company changed certain accounting policies (principally the method of accounting for deferred advertising costs) of Gardner to conform to the policies of the Company.

See Notes 1 and 4 to Consolidated Financial Statements for a description of the method by which the Company accounts for costs incurred prior to the receipt of commissions or fees.

Revenue from Commissions and Service Fees

The Company derives its revenues from three principal sources:

Media Commissions—The primary source of the Company's revenue is commissions earned from advertising placed with the various media. After an advertising campaign has been approved by a client, the Company purchases time and space from the appropriate advertising media. Clients pay the

Company for these charges and the Company in turn pays the media, less the agency commission (usually 15%). In accordance with current industry practice, the Company is primarily liable for payment to medi .. However, the Company has not suffered any material loss because of its clients' failure to pay for space and time. The billing and paying procedures established by the Company with its clients, whether by written contract or practice, require that payment be received from the client in sufficient time for the Company to make the corresponding payment to the media and normally this requirement is met. In this manner, the Company attempts to preserve working capital for use in its general operations. Any discounts earned by the Company for prompt payment are remitted to the client.

Production Commissions and Special Charges—The physical material, labor and talent used in the production of finished commercials and advertisements are usually supplied and processed by independent contractors under the direction and supervision of the Company's creative and production staffs. The Company charges the client a percentage (usually 17.65%) of the contractors' bills (which is equivalent to 15% of gross billings). Clients also pay special charges for certain production work done by personnel of the Company.

Fees—The Company generally charges a fixed fee for its modular services and in some instances for services performed for clients in connection with a particular advertising or product problem, principally for the development of an advertising and marketing program for a new product.

The following table shows the approximate percentage of revenue derived from each source during the periods indicated:

	Year Ended October 31,					Ten Months Ended August 31, 1974
	1969	1970	1971	1972	1973	
Media Commissions:						
Television and Radio	56.4%	53.9%	49.6%	56.8%	53.5%	55.5%
Newspaper and Magazine	23.0	25.6	32.3	29.2	24.6	23.0
Outdoor Advertising	1.1	1.3	1.6	1.5	2.4	2.7
Total	80.5	80.8	83.5	87.5	80.5	81.2
Production Commissions and Special Charges:						
Production Commissions	12.0	9.8	10.0	8.5	9.6	8.6
Special Charges	3.0	1.4	1.0	0.8	1.6	1.5
Total	15.0	11.2	11.0	9.3	11.2	10.1
Fees	4.5	8.0	5.5	3.2	8.3	8.7
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

The revenues reflected in the foregoing table for the fiscal year 1973 and the ten-month period ending August 31, 1974 include the operations of Gardner. Since Gardner derives a larger portion of revenues from fixed fees than does the Company, the above table reflects an increase in the percentage of revenues derived from fees and a decrease in the percentage of revenues derived from media commissions for the fiscal year ended October 31, 1973 and the ten months ended August 31, 1974.

Clients and Competition

Set forth below is a list of the Company's clients and the month and year during which revenue for each client commenced. In most cases, as is customary in the advertising industry, other products of the Company's clients are represented by other agencies. In such cases, only those products represented by the Company are listed and the month and year during which revenue commenced for each product is indicated.

American Investment Company	August 1974
Anheuser-Busch, Inc.	
Busch Beer	September 1955
Busch Gardens	April 1970
St. Louis Cardinals	February 1957
Bic Pen Corporation	
Banana Fiber Tip Pens	June 1972
Crayon	March 1973
Lighter	June 1974
Book Digest Co.	June 1974
Brown-Forman Distiller's Corporation	
Jack Daniel Distillery	April 1954
Brunswick Corporation	
Mercury Marine Division	September 1961
Cessna Aircraft Company	March 1942
Convention & Visitors Bureau of Greater St. Louis	August 1974
Eli Lilly & Co.	
Elanco Products Company	August 1954
Federal Land Bank Inter-District Program	August 1970
First Union, Incorporated	July 1948
General Dynamics Corporation	March 1970
General Mills, Inc.	
Various snacks	October 1967
Hamburger Helper	February 1973
Tuna Helper	February 1973
ITT Aetna Management Co.	April 1966
Midas-International Corporation	February 1970
Midwest Marketing Company	August 1973
Miles Laboratories, Inc.	
Alka Seltzer	March 1971
Alka Seltzer Plus	March 1971
New York State Drug Abuse Control Commission	July 1973
New York State Lottery	May 1974

Paine, Webber, Jackson & Curtis Incorporated	November 1972
Philip Morris, Inc.	
Benson & Hedges 100's	July 1966
Multi Filter	February 1973
Philip Morris International	May 1974
The Procter & Gamble Company	
Gleem Toothpaste	November 1968
Safeguard Deodorant Soap	December 1970
Sure Deodorant and Anti-Perspirant	June 1973
Prell Liquid Shampoo	November 1973
Ralston Purina Company	
Chow Division (Feeds)	March 1910
Pet foods	June 1955
Super Slush	July 1973
Chex Cereals	February 1970
Freakies	September 1974
Reinholdt & Gardner, Inc.	December 1970
Rexall Drug & Chemical Company	September 1969
SmithKline Corp.	
Menley and James Laboratories Division	
Love Cosmetics	May 1967
Southwestern Bell Telephone Company	August 1948
St. Louis Chamber of Commerce	June 1970
Sun Oil Company	
DX Brand	March 1962
Sunoco	April 1973
Trans World Airlines, Inc.	
Domestic and International Operations	November 1968
Consumer Products Division	February 1974
Union Electric Corp.	April 1944
Velsicol Chemical Company	January 1970
Warnaco, Inc.	
Warners Slimwear Division	August 1974
Westinghouse Electric Corporation	
Major appliances	February 1972
Wolverine Worldwide, Inc	
Hush Puppies	November 1972

In addition to the clients listed above, the Company provides advertising services to the National Multiple Sclerosis Society on a non-profit basis.

The Company presently has 35 clients. In fiscal 1973, Trans World Airlines, Inc., Ralston Purina Company, Miles Laboratories, Inc., The Procter & Gamble Company and Philip Morris, Inc. accounted for approximately 13.7%, 11.8%, 11.8%, 11.2% and 8%, respectively, of the Company's revenues from commissions and service fees. The Company's ten largest clients in the aggregate accounted for 75.7% of such revenues. For the ten-month period ended August 31, 1974, Ralston Purina Company, Trans World Airlines, Inc., The Procter & Gamble Company, Miles Laboratories, Inc. and Philip Morris, Inc. accounted for approximately 14%, 13.4%, 13.2%, 11.5% and 9%, respectively, of such revenues and the Company's ten largest clients in the aggregate accounted for 78.3% of such revenues.

As is customary in the advertising industry, relationships between clients and the Company, whether or not evidenced by a contract, are generally terminable by either party on 90 days' notice; clients can and do change agencies on short notice and may reduce advertising budgets at any time. The loss of any client or losses incurred on account of a client's failure to make payments for media could have an adverse effect on the Company's operations.

The advertising industry is a highly competitive personal service business and success depends to a great extent on the skill and creativity of the Company's staff and its relationship with its clients. The Company must compete for highly qualified personnel and clients against many agencies, including some with greater financial resources. In addition, the Company's ability to compete for new clients is affected in some instances by the policy, which many advertisers follow, of not permitting their agencies to represent competitive products in the same market.

While the Company has exhibited to potential clients examples of advertising it has produced, it has not attempted to attract new clients by use of new client presentations. A "new client presentation" is the creation and presentation of proposed advertising for a prospective client's product. The cost of such new client presentations is absorbed by an agency, even if, as frequently occurs, such agency is not appointed. No assurance can be given that the Company can continue to attract new clients without making such presentations.

The acquisition of Gardner has enhanced the Company's ability to service its clients and compete for new clients. Also, the modular advertising concept offered by Gardner has given the Company the capability to service clients requiring specialized advertising services.

Mary Wells Lawrence, Chairman of the Board and Chief Executive Officer, has made a significant contribution to the growth of the Company and the loss of her services might have a substantial adverse effect on the Company's business and earnings. The Company has an employment agreement with Mrs. Lawrence which commenced on May 1, 1969 and was modified and extended effective May 1, 1971. Mrs. Lawrence has agreed to serve as Chief Executive Officer until April 30, 1981 and to act as a consultant to the Company for an additional twelve years following her period of active employment.

Regulation

In recent years, Federal, state and local governments and government agencies have adopted legislation and regulations which directly or indirectly affect the advertising activities of agencies and their clients. The Federal Trade Commission has shown a growing tendency to vigorously enforce existing legislation and regulations, to increase the penalties thereof and to hold the advertising agency, as well as the advertisers, responsible for violative practices to a greater extent than ever before. From time to time, the Federal Trade Commission, after finding advertisements to be false or misleading, has required

agencies and their clients to withdraw such advertisements or in certain situations to present "corrective" advertising. The "consumerism" movement has resulted in the proposal or enactment of legislation and regulations which regulate more strictly all forms of advertising. The Federal Food and Drug Administration has issued regulations which classify some non-prescription, over-the-counter drugs into specific therapeutic categories, and which establish procedures for determining whether or not such products are safe and effective, or mislabeled, under recommended or suggested conditions of use. Thereafter, advertising claims made about such products are limited by such labeling requirements. Some states presently impose a tax on advertising and other states have under consideration the adoption of such taxes. Also, state and local governments have become increasingly active in acting against presumed abuses and deception in advertising, especially in relation to retail selling.

Legislation is presently pending in Congress, and proposals are being considered by the Federal Trade Commission, which, if adopted, would further affect advertising. The Federal Trade Commission, for example, has proposed guidelines which, if adopted, would prohibit the promotion of a product or services by referring to an offer of premiums in any television advertisement directed to an audience, the majority of which may reasonably be expected to be composed of children under twelve years of age. Other areas of specific concern of the Federal Trade Commission which may result in additional regulation include the presumed abuses in advertising to children in general and the alleged inadequacy of the present disclosure requirements with respect to nutritionally related claims and product warranties.

Consumer groups and others have suggested additional legislation and regulations, which, if adopted, would place additional restrictions on advertising. In addition, the National Association of Broadcasters has adopted guidelines relating to content of advertisements on the broadcast media. A more recent self-regulatory organization is the National Advertising Review Board, established by the Council of Better Business Bureaus in conjunction with the advertising industry for the express purpose of reviewing advertising and handling complaints concerning advertising claims.

Furthermore, shortages in gasoline, fuel oil and other environmental materials have given rise to the promulgation of laws and regulations restricting and limiting their use, thereby affecting the general economy and operations of certain of the Company's clients.

The Company does not believe that existing laws and regulations have had a material adverse effect upon its business, but it cannot predict whether any proposed laws and regulations will become effective or whether they may have such an effect.

Television Productions

WRG/Dragoti Ltd., a subsidiary of the Company, produces television commercials and creates and develops properties for production as television features and special presentations; it is also engaged in the field of video communications. The subsidiary produced a motion picture entitled "Dirty Little Billy" for distribution in domestic and foreign markets.

Foreign Operations

The Company maintains small offices in London and Hong Kong which provide services for a domestic client throughout Europe and the Far East through contractual arrangements with local agencies in several countries. These operations do not account for a significant portion of the Company's revenues from commissions and service fees.

The Company has recently held exploratory discussions for the acquisition of several small, established advertising agencies in Europe. The Company cannot predict the outcome of such discussions.

Employees

As of September 1, 1974, the Company employed 573 persons, of whom 349 were employed in its New York offices and 199 were employed in its St. Louis offices.

Creative Services—The Company employed 86 persons to conceive and create advertising and to write and illustrate the commercials and advertisements produced by the Company. They also assist in the supervision and direction of the production of these advertisements.

Account Services—The Company employed 135 persons who are responsible for account management. They act as liaisons between clients and the Company, coordinate the planning of advertising campaigns and assist in the supervision of advertising budgets and marketing activities of the clients.

Production—The Company employed 80 persons to produce television and radio commercials and print advertisements. They secure, coordinate and direct the services of outside contractors who furnish typography, artwork, photography, film production and other elements required in the preparation of finished advertising.

Media and Research—The Company employed 113 persons who plan and recommend media programs, prepare cost estimates, buy time and space, conduct media, copy and market research projects and analyze and apply the results of such research.

Administration and General Services—The Company's remaining 159 employees perform such functions as administration, finance and accounting, personnel, purchasing and other general office and management functions.

PROPERTIES

Offices

The Company's major offices are located in leased premises in New York City and St. Louis, Missouri. Additional offices are leased in Los Angeles, California; Hong Kong, British Crown Colony; and London, England.

The principal office of the Company is at 767 Fifth Avenue, New York, New York, and is covered by a lease which provides for the rental of 95,981 square feet for a term ending August 31, 1988 at an annual rental of $1,308,250 (subject to escalation). The Company has the right to sublease 29,635 square feet and an additional 66,346 square feet, subject to the requirement that said space first be offered back to the lessor at the rental set forth in the lease. On September 1, 1974, a total of 9,313 square feet of the space was subject to four separate sublease agreements for a total annual rental of $184,360 (subject to escalation) and the combined average term remaining for such sublease agreements was 20 months.

In addition the Company leases 64,500 square feet of office space at 10 Broadway, St. Louis, Missouri at an annual rental of $396,200 (subject to escalation) and for a term ending May 31, 1986. The Company has the right to sublease the space subject to the landlord's consent and under certain conditions may reduce the total space leased and the total rental cost thereof by approximately 25%. On September 1, 1974, a total of 13,225 square feet of this space was subject to two separate sublease agreements for a total annual rental of $87,139 (subject to escalation) and the combined average term remaining for such sublease agreements was 65 months.

Oil and Gas Interests

The Company has invested, directly and indirectly, in undivided interests in certain oil and gas leases. See Notes C and G to Statement of Consolidated Income and Notes 1 and 3 to Consolidated Financial Statements for additional information concerning these investments.

MANAGEMENT

The directors and executive officers of the Company, all of whom have been elected to serve until the 1975 Annual Meeting of Stockholders, are listed below. The table also sets forth certain information regarding each person, including the amount of Common Stock of the Company beneficially owned, directly or indirectly, by each person as of September 1, 1974.

Name	Age	Position and Office	Director Since	Executive Officer Since	Shares of Common Stock Beneficially Owned
Mary Wells Lawrence ...	46	Chairman of the Board and Chief Executive Officer; Director	1966	1966	115,000
Charles Moss	36	President; Director	1970	1969	18,750
Richard T. O'Reilly	53	Vice Chairman; Director	1970	1969	15,000
John V. Burns	48	Executive Vice President—Marketing; Director	1973	1971	2,500
Frank G. Colnar	57	Executive Vice President—Financial Planning; Director	1969	1968	11,000
Frederick L. Jacobs	52	Executive Vice President—Administration, Secretary and Treasurer; Director	1968	1967	18,750
Barry E. Loughrane	42	Executive Vice President—Managing Director, Gardner Division	—	1974	300
Martin Stern	49	Executive Vice President—Sales Director; Director	1973	1969	8,750
C. A. Wolfe	42	Executive Vice President—General Manager	—	1974	—
Stanley G. Dragoti	41	Director	1973		6,100
Warren J. Kratky	50	Director	1973		6,000
Arnold M. Grant	66	Director	1968		20,000
Troy V. Post	68	Director	1968		5,000
Emilio Pucci	59	Director	1968		—

For descriptions of employment agreements between the Company and various executive officers, see "Management—Remuneration".

Each of the directors and executive officers named above has been engaged in the business of the Company for more than the past five years except Messrs. Loughrane, Kratky, Grant, Post and Pucci. Mr. Loughrane joined the Company in 1973 and for more than three years prior thereto he served as Senior Vice President-Management Supervisor at Doyle Dane Bernbach Inc., an advertising agency. Mr. Kratky was the President and Chairman of the Board of Directors of Gardner prior to its acquisition by the Company in 1972. Since the acquisition he has served as its President. For the past five years, Mr. Grant has been engaged in the private practice of law (as a partner in the law firm of Phillips, Nizer, Benjamin, Krim & Ballon since 1972); Mr. Post has been chief executive officer of Troy Post Corporation, which is engaged in real estate development, insurance and investments; and Mr. Pucci has been a designer, industrialist and chairman of Emilio Pucci S.R.L., which is engaged in the fashion and textile businesses.

Remuneration

With respect to persons who were directors or officers of the Company at any time during the fiscal year ended October 31, 1973, the following information is given for such year for (1) each director of the Company whose aggregate direct remuneration paid by the Company and its subsidiaries exceeded $40,000, and each of the three highest paid officers of the Company whose aggregate direct remuneration exceeded that amount, and (2) all directors and officers as a group.

Name of Individual or Identity of Group	Capacity in Which Remuneration Was Received(1)	Salary	Executive Incentive Plan (2)	
			Current Award (3)	Officers' Deferred Incentive Award
Mary Wells Lawrence(4)	Chairman of the Board and Chief Executive Officer	$225,000(5)	$185,595	—
Charles Moss(4)	President	130,000(5)	30,000	—
Richard T. O'Reilly(4) ...	Executive Vice President	100,000(6)	15,000	—
John V. Burns	Senior Vice President—Account Services	88,750	10,000	—
Frank G. Colnar(4)	Senior Vice President—Financial Planning	75,000(6)	15,000	—
Frederick L. Jacobs(4) ...	Senior Vice President—Administration, Secretary and Treasurer	75,000(6)	15,000	—
Martin Stern	Senior Vice President—Sales Director	70,000	10,000	—
Stewart Greene(4)	Art Director and Consultant to Chairman—Special Projects	88,542(5)	26,280	—
Stanley G. Dragoti	President of WRG/Dragoti Ltd., a subsidiary of the Company	70,000(6)	—	—
Warren J. Kratky	President of Gardner Advertising Company, Incorporated, a wholly-owned subsidiary of the Company	89,010	—	—
All directors and officers as a group (57 persons including those shown above)(7)		$2,773,168(6)	$306,875	$111,357

(1) No director received any remuneration for services as a director while also serving as an officer of the Company.

(2) See "Management—Incentive Plans" for a description of this Plan.

(3) Paid in 1974 with respect to services rendered in the fiscal year ended October 31, 1973.

(4) See information on employment agreements of Mrs. Lawrence, Messrs. Moss, O'Reilly, Colnar, Jacobs and Greene and another officer set forth below.

(5) Pursuant to their employment agreements, Mrs. Lawrence, Mr. Moss and Mr. Greene have also been credited with deferred compensation of $30,000, $25,000 and $18,000, respectively, with respect to services during the fiscal year ended October 31, 1973.

(6) The amounts shown include a bonus of $5,000 each to Messrs. Colnar and Jacobs. The amounts shown do not include $52,500, $51,372, $7,560 and $136,254 which the Company has deducted for Federal income tax purposes as compensation paid to Messrs. Colnar, O'Reilly and Dragoti and all directors and officers as a group, respectively, during the fiscal year ended October 31, 1973 as a result of the lapse of restrictions on shares of Common Stock purchased under the Company's Incentive Stock Purchase Plan. No further options to purchase shares may be granted under the Plan. See "Management—Incentive Plans" for a description of the Plan.

(7) Includes 47 Vice Presidents who occupied important positions as heads of departments or had important client responsibilities during the last fiscal year but who did not perform the corporate management functions usually associated with such title.

Mary Wells Lawrence has an employment agreement with the Company that commenced on May 1, 1969 and was modified effective May 1, 1971. It provides for her active employment to April 30, 1981. Her basic salary is $225,000 per annum, plus deferred compensation at the rate of $30,000 per annum for each year of active employment, payable at specified dates stated in her agreement. Mrs. Lawrence has agreed to act as a consultant for the Company for twelve years following her period of active employment. She will receive a consulting fee of $125,000 per annum. If her services are terminated because she becomes disabled during the term of her employment, she will receive such consulting fee only for the number of years equal to the number of years performed under the agreement. The agreement provides for the award to Mrs. Lawrence each year during the term of her employment of the greater of 25% of the annual fund under the Company's Executive Incentive Plan or the amount awarded to any other executive in such year under that plan, subject to the limitation that her award for any year may not exceed her compensation for that year. In addition, the agreement provides that in the event of Mrs. Lawrence's death on or before April 30, 1981, the Company will pay to her estate $1,000,000 in twenty equal annual installments. The Company has insurance policies on Mrs. Lawrence's life in excess of that amount.

Charles Moss entered into a ten-year employment agreement with the Company that commenced on November 1, 1971. His basic salary is $130,000 per annum, plus deferred compensation at the rate of $25,000 per annum for each year of active employment, payable commencing after the termination of his employment. Mr. Moss has agreed to act as a consultant for the Company for a maximum period of ten years following his period of active employment. For these services, he will receive a consulting fee at the rate of $25,000 per annum. If his services are terminated because he becomes disabled during the term of his employment, Mr. Moss will receive disability payments from the Company at the rate of $62,500 per annum. The Company has disability insurance policies for that amount. In the event of Mr. Moss' death during the term of his employment, the Company will pay his estate or his designee $500,000. The Company has an insurance policy on Mr. Moss' life in excess of that amount.

The Company has individual employment agreements with Messrs. O'Reilly, Colnar and Jacobs, which expire on October 31, 1976. Each such agreement provides for service in their present respective executive capacities or such other position or positions as the Company's Board of Directors may determine. They are presently receiving the following annual salaries: Mr. O'Reilly, $100,000; Mr. Colnar, $90,000; and Mr. Jacobs, $90,000. Each individual also agrees to act as a consultant for the

Company for a maximum period of ten years following his period of active employment. For these services, each will receive a consulting fee at the rate of $10,000 per annum. In the event of the death of any of these individuals during the term of his employment, the Company will pay his estate or his designee $250,000. The Company has an insurance policy on the life of each individual in that amount.

Stewart Greene's active employment with the Company terminated on April 30, 1974. Pursuant to his employment agreement with the Company, he will be paid deferred compensation for the five fiscal years of his active employment in the total sum of $105,000, payable over the period May 1, 1974 to April 30, 1979. Mr. Greene has agreed to act as a consultant for the Company for a period of five years commencing April 30, 1974, for which he will receive a consulting fee at the rate of $75,000 per annum for approximately the first two years and thereafter at the rate of approximately $52,500 per annum.

The Company has also entered into an employment agreement with an officer not named in the foregoing table which provides for annual compensation of $65,000 until May 24, 1975.

Incentive Plans

The Company has three employee benefit plans to attract new employees, to offer incentives to key employees and to motivate them to continue in the employ of the Company. These plans are administered by a Compensation Committee, which is composed of three directors, a majority of whom may not be employees of the Company. The Committee presently consists of Messrs. Grant, Post and Pucci.

Stock Option Plan. This Plan was adopted in August 1968, amended in May 1969 and further amended on March 10, 1971 and March 8, 1972. Under this Plan, all options granted prior to March 10, 1971 are intended to be "qualified stock options" within the meaning of Section 422 of the Internal Revenue Code and were granted at an option price of 100% of the fair market value of the Common Stock on the date of grant. All such options expire five years from the date of grant, may be exercised for a period of one year from such date, and are non-transferable other than by will or the laws of descent and distribution.

On March 10, 1971, the Plan was amended to provide for the granting of qualified options (as described above), non-qualified options or a combination of both, in the discretion of the Compensation Committee. Non-qualified options are intended to be "restricted stock options" within the meaning of Section 424 (b) of the Internal Revenue Code, as amended, except for the date of issuance, are granted at not less than 85% of the fair market value of the Common Stock on the date of grant and must be exercised within ten years from such date. All options granted under the amended Plan may not be exercised for a period of six months from the date of grant. Also, under the amended Plan, payment for shares purchased upon the exercise of options may, in the discretion of the Committee, be made in installments, provided that the full option price must be paid by the end of ten years from the date of exercise.

The Plan, as amended on March 8, 1972, provides that a total of 363,750 shares of Common Stock (subject to adjustment for stock splits, stock dividends or any similar change affecting the Common Stock) are reserved for issuance pursuant to options. On September 15, 1974, options to purchase 26,119 shares of Common Stock had been exercised and there were outstanding options to purchase 334,223 shares, at a weighted average option price of $14.83 per share and at option prices ranging

from $6.00 to $22.75 per share, expiring on various dates between June 27, 1975 and June 25, 1984. (See "Effect of Exchange Offer—Other Aspects" for information as to possible repurchases of employees' shares.) Outstanding options held by the persons named in the table under "Management—Remuneration" and all present directors and officers as a group on September 15, 1974 were as follow:

Name	Number of Shares	Option Price	Date of Expiration	Type of Option
Mary Wells Lawrence	150,000	$20.50	5/ 9/81	Non-Qualified
Charles Moss	7,500	20.50	5/ 9/76 5/ 9/81	Tandem(1)
	13,750	22.75	8/20/77 8/20/82	Tandem(1)
	20,000	7.25	6/25/84	Non-Qualified
Richard T. O'Reilly	7,500	20.50	5/ 9/76 5/ 9/81	Tandem(1)
	5,000	22.75	8/20/77 8/20/82	Tandem(1)
	10,000	9.375	3/ 3/79	Qualified
John V. Burns	8,335	10.625	6/19/83	Non-Qualified
Frank G. Colnar	7,500	20.50	5/ 9/76 5/ 9/81	Tandem(1)
	5,000	22.75	8/20/77 8/20/82	Tandem(1)
Frederick L. Jacobs	7,500	20.50	5/ 9/76 5/ 9/81	Tandem(1)
	5,000	22.75	8/20/77 8/20/82	Tandem(1)
	5,000	7.25	6/25/84	Non-Qualified
Martin Stern	2,500	8.375	9/22/75	Qualified
	6,275	10.625	6/19/83	Non-Qualified
Stanley G. Dragoti	9,600	10.625	6/19/78	Qualified
All present directors and officers as a group (59 persons including those shown above)	3,167	6.00	6/27/75	Qualified
	25,000	7.25	6/25/84	Non-Qualified
	5,351	8.375	9/22/75	Qualified
	10,000	9.375	3/ 3/79	Qualified
	9,600	10.625	6/19/83	Qualified
	58,855	10.625	6/19/83	Non-Qualified
	2,000	11.125	10/16/83	Non-Qualified
	150,000	20.50	5/ 9/81	Non-Qualified
	30,000	20.50	5/ 9/76 5/ 9/81	Tandem(1)
	28,750	22.75	8/20/77 8/20/82	Tandem(1)

(1) A tandem option consists of the simultaneous grant of a qualified and a non-qualified option as to the same number of shares and on the same terms, except that the qualified option expires five years from the date of grant and the non-qualified option expires ten years from the date of grant. The exercise of all or part of either option results in a corresponding reduction in the other option.

Incentive Stock Purchase Plan. Under this Plan, adopted in August 1968 and amended in May 1969, rights to purchase Common Stock were granted to key employees at a price equal to the greater of 40% of the fair market value on the business day preceding the date of grant or consolidated book value at the end of the fiscal year immediately preceding the date of grant. Rights may be exercised for a period of 90 days provided that the grantee is still an employee on the date of exercise. Shares purchased upon the exercise of rights are subject to such terms and conditions as may be determined by the Committee, which terms and conditions include restrictions on sale and other disposition of the shares and a requirement that the shares be resold to the Company at their purchase price in the event of termination of employment under certain conditions or action considered detrimental to the business of the Company. A total of 86,400 shares of Common Stock were issued pursuant to this Plan and 1,400 repurchased. Pursuant to the Plan, no further options to purchase shares may be granted.

Executive Incentive Plan. This Plan, adopted in August 1968 and amended on March 10, 1971, provides for the crediting of 10% of the consolidated net earnings from operations of the Company and its subsidiaries before taxes to an annual fund which is available in whole or in part for awards to key employees. The Plan calls for an annual award to the Company's Chief Executive Officer equal to 25% of the annual fund and an award to any employee who has an employment agreement, approved by the Board of Directors, that provides for such an award. The Committee determines the other employees eligible for awards and the amounts of such awards, if any. The award to any employee in any year may not exceed the amount of his compensation (including deferred compensation) for that year. Subject to the discretion of the Committee, an employee may elect to defer receipt of his award. See the table under "Management—Remuneration" for awards made with respect to the fiscal year ended October 31, 1973.

The Officers' Deferred Incentive Program provides for the crediting of a minimum of 15% of the annual fund under the Plan as a program fund which is available for awards to officers of the Company (except officers at the level of Senior Vice President or higher). Awards granted pursuant to the Program vest over a period of five years measured from the date the employee initially became an officer of the Company or upon his death or disability. Awards or portions thereof which are forfeited as a result of termination of employment prior to vesting will be allocated pro rata to other employees who received awards in the same year the forfeited award was granted. Payment of the vested portion of awards will be made annually, in equal installments, over a period of five years commencing on the January 1 next following the date of termination of employment. Subject to the discretion of the Compensation Committee, the payment of the vested portion of an award may be accelerated to a date no earlier than the date of termination of employment.

Management Transactions

Since November 1, 1970, twenty-two officers and directors of the Company acquired shares of Common Stock from the Company as follows:

Name	Date of Purchase	Number of Shares	Aggregate Purchase Price
Charles Ashby (1)	12/30/71	600(3)	$ 5,025
Theodore Barash	2/ 7/72	1,666(3)	9,996
	8/22/72	1,667(3)	10,002
George D'Amato	1/21/72	1,000(3)	14,000

Name	Date of Purchase	Number of Shares	Aggregate Purchase Price
Jacqueline End	12/17/71	300(3)	$ 2,512
Richard Freedman	8/ 6/71	750(2)	6,037
	6/27/72	750(3)	10,500
Jeffrey Frey	12/19/72	300(3)	2,512
Herbert Green	1/21/72	1,000(3)	14,000
Charles Hamm (1)	7/19/71	1,250(2)	10,062
	1/17/73	1,391(3)	14,146
	5/30/74	334(3)	2,004
Stanley Haspel	7/16/71	250(2)	2,012
	11/29/72	200(3)	1,675
	1/ 4/73	133(3)	1,114
John Hughes	7/14/71	850(2)	6,842
	4/ 7/72	500(3)	3,000
Frank Kirk (1)	1/ 7/72	2,000(3)	35,000
Maurice Mahler	12/ 6/71	300(3)	2,512
	10/27/72	300(3)	2,512
	11/20/73	300(3)	2,512
H. Bart McHugh	8/27/73	400(2)	3,064
Martin Mitchell	8/31/71	266(3)	3,721
	1/ 4/72	166(3)	1,390
	10/ 5/72	301(3)	3,275
Bert Neufeld (4)	1/ 5/72	750(3)	10,500
	7/10/72	1,050(3)	13,012
Victor Olesen (1)	1/31/72	333(3)	4,662
	7/ 7/72	167(3)	2,338
David Ottey	1/25/73	300(3)	2,512
Gary Roberts	1/ 5/73	333(3)	2,789
Joseph Smyth (1)	8/23/72	166(3)	1,390
	9/25/72	167(3)	1,399
Martin Stern	6/ 6/72	2,500(3)	20,937
	1/ 8/73	2,500(3)	20,937
Nat Waterston (1)	5/18/72	500(3)	8,750
	5/19/72	500(3)	8,750
	5/25/72	400(3)	4,000
	7/25/72	666(3)	12,153
Hans Zucker	4/ 4/72	400(2)	3,800

(1) No longer an officer, director or employee.

(2) These shares were acquired pursuant to the Incentive Stock Purchase Plan.

(3) These shares were acquired pursuant to the Stock Option Plan.

(4) On August 9, 1972, the Company repurchased 400 shares from Mr. Neufeld at an aggregate price of $3,260 in accordance with the provisions of the Incentive Stock Purchase Plan.

Arnold M. Grant is providing legal services to a joint venture of which WRG/Dragoti Ltd., a subsidiary of the Company, is a party. The venture has completed the production of a motion picture entitled "Dirty Little Billy," which is presently being exhibited. He has been paid $30,000 to date for such services and will also receive 10% of the profits of the joint venture for bringing the parties together and for assisting in the formation of the joint venture.

PRINCIPAL STOCKHOLDERS

To the knowledge of management, as of September 1, 1974, no person owned of record or beneficially more than 10% of the outstanding shares of Common Stock of the Company. The following table sets forth information concerning the number of shares of Common Stock beneficially owned by Mary Wells Lawrence, Chairman of the Board and Chief Executive Officer, and by all directors and officers of the Company as a group as of September 1, 1974 and the pro forma effect of the Exchange Offer upon such ownership assuming a 50% Exchange and a 100% Exchange:

Name	Number of Shares of Common Stock Owned at September 1, 1974	Percentage of Common Stock Owned at September 1, 1974	Percentage of Common Stock Owned Assuming a 50% Exchange(1)	Percentage of Common Stock Owned Assuming a 100% Exchange(2)
Mary Wells Lawrence	115,000(3)	7%	12%	43%
All directors and officers as a group(4) ...	269,933	16.5%	28%	100%

(1) Assumes the exchange of 683,403 shares, representing 50% of all shares to which the Exchange Offer extends after first deducting 38,202 shares held by officers who have informed the Company of their present intention not to tender such shares.

(2) Assumes the exchange of 1,366,806 shares, representing all shares to which the offer extends after first deducting 38,202 shares as provided above.

(3) Mrs. Lawrence was also the holder of an option granted pursuant to the Company's Stock Option Plan to purchase 150,000 shares of Common Stock at $20.50 per share.

(4) For further information concerning shares of Common Stock owned by the directors and officers of the Company, see "Effect of the Exchange Offer-Non-Participation by Directors and Officers."

Mrs. Lawrence may be deemed a "parent" of the Company within the meaning of the rules and regulations under the Securities Exchange Act of 1934.

DESCRIPTION OF COMMON STOCK

The Common Stock of the Company is the only class of capital stock authorized by the Company's Certificate of Incorporation.

Dividend and Liquidation Rights. All shares of Common Stock are entitled to share equally in such dividends as may be declared by the Board of Directors from funds legally available therefor, and, upon liquidation, all shares are entitled to share equally in the assets of the Company available for distribution to stockholders.

Voting Rights. The holders of shares of Common Stock are entitled to one vote per share.

Non-Cumulative Voting. The Common Stock has non-cumulative voting rights, which means that the holders of more than 50% of the shares voting for the election of directors can elect all of the directors if they choose to do so and, in such event, the holders of the remaining shares will not be able to elect any directors.

Pre-emptive and Other Rights. There are no pre-emptive rights, conversion rights, redemption provisions or sinking fund provisions applicable to the Common Stock and issued shares are not liable to further calls or assessment by the Company (except for personal liability of the ten largest stockholders for debts due and owing to a corporation's laborers, servants or employees as provided in Section 630 of the Business Corporation Law of the State of New York in the event the Common Stock should be delisted and not regularly quoted in the over-the-counter market). There are also no restrictions on the repurchase or redemption of shares while there is any arrearage in the payment of dividends.

Transfer Agent and Registrar. The Transfer Agent and Registrar for the Common Stock is The Chase Manhattan Bank, N.A., 1 New York Plaza, New York, New York 10015.

EXPERTS

The financial statements included in this Prospectus (and related schedules included elsewhere in the Registration Statement) have been examined by Haskins & Sells, independent certified public accountants, as stated in their opinion (which opinion is qualified as therein set forth) appearing herein and elsewhere in the Registration Statement, and have been so included in reliance upon such opinion, given upon the authority of such firm as experts in accounting and auditing.

LEGAL OPINIONS

The validity of the Debentures will be passed upon for the Company by Hughes Hubbard & Reed, One Wall Street, New York, New York 10005 and for the Dealer Manager by Donovan Leisure Newton & Irvine, 30 Rockefeller Plaza, New York, New York 10020. Orville H. Schell, Jr., a partner in the firm of Hughes Hubbard & Reed, owns of record and beneficially 450 shares of the Company's Common Stock.

ADDITIONAL INFORMATION

This Prospectus omits certain information contained in the Registration Statement on file with the Securities and Exchange Commission pursuant to rules and regulations of the Commission. The information so omitted may be obtained from the principal office of the Commission in Washington, D. C. upon payment of the fee prescribed by the Commission, or examined there without charge.

OPINION OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Wells, Rich, Greene, Inc.:

We have examined the consolidated balance sheet of Wells, Rich, Greene, Inc. and subsidiary companies as of August 31, 1974 and the related statements of consolidated income and of changes in consolidated financial position for the five years ended October 31, 1973 and for the ten months ended August 31, 1974 and 1973, and of consolidated stockholders' equity for the five years ended October 31, 1973 and for the ten months ended August 31, 1974. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Included in the consolidated balance sheet (as explained in Note 5 to the consolidated financial statements) are deferred costs relating to motion picture joint venture, scripts and other creative productions. Although management is of the opinion that all deferred costs will be recovered from revenues expected to be derived from the related productions, the ultimate future realization of such costs is not presently determinable.

In our opinion, except for the effects, if any, on the above-mentioned financial statements of the matter discussed in the preceding paragraph, such financial statements present fairly the financial position of the companies at August 31, 1974 and the results of their operations and changes in their financial position for the stated periods then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

HASKINS & SELLS

New York, New York
October 1, 1974

WELLS, RICH, GREENE, INC. AND SUBSIDIARY COMPANIES

CONSOLIDATED BALANCE SHEET

August 31, 1974

ASSETS

Current assets:	
Cash	$ 1,460,921
Marketable securities, at cost (quoted market value $5,696,340)	5,690,415
Accounts receivable	15,631,148
Billable production expenditures (with commissions accrued)	2,616,355
Prepaid expenses	276,374
Total current assets	25,675,213
Property—at cost (Note 1):	
Leasehold costs	4,695,131
Furniture and equipment	3,287,383
Total	7,982,514
Less accumulated depreciation and amortization	2,615,031
Property—net	5,367,483
Investment in properties (principally oil and gas) (Notes 1 and 3)	1,152,825
Deferred charges and other assets:	
Deferred costs of advertising and product development services (Notes 1 and 4)	2,476,298
Deferred compensation expense (Notes 1 and 7)	16,506
Motion picture joint venture, scripts and other creative productions (Notes 1 and 5)	830,946
Other assets	379,864
Total deferred charges and other assets	3,703,614
Total assets	$35,899,135

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:	
Accounts payable	$16,023,413
Accrued taxes	527,842
Other accrued expenses (Note 8)	316,750
Installment loans payable—current portion (Note 6)	92,700
Total current liabilities	16,960,705
Installment loans payable (Note 6)	336,724
Deferred income taxes (Note 1)	1,178,058
Deferred compensation (Note 9)	395,649
Commitments and contingent liabilities (Note 9)	
Stockholders' equity (Notes 2, 7, and 10):	
Common Stock $1 par value—authorized 5,000,000 shares; issued 1,689,195 shares	1,689,195
Capital in excess of par value	3,851,908
Retained earnings	12,500,212
	18,041,315
Less cost of shares of common stock in treasury—57,337 shares	(1,013,316)
Total stockholders' equity	17,027,999
Total liabilities and stockholders' equity	$35,899,135

See Notes to Consolidated Financial Statements.

WELLS, RICH, GREENE, INC. AND SUBSIDIARY COMPANIES

STATEMENT OF CONSOLIDATED STOCKHOLDERS' EQUITY

For the Five Years Ended October 31, 1973 and the Ten Months Ended August 31, 1974

	Common Stock	Common Stock Subscribed	Cost of Common Stock in Treasury	Capital in Excess of Par Value	Retained Earnings
Balance, October 31, 1968 (common stock subscribed—9,800 shares)	$ 1,532,700	$ 68,600		$ 1,328,630	$ 1,331,154
Net income for year	—	—		—	1,586,735
Common stock sold under incentive stock purchase plan	49,500	(68,600)		583,000	—
Common stock purchased for treasury—1,000 shares	—	—	$ (11,925)	—	—
Balance, October 31, 1969	1,582,200	—	(11,925)	1,911,630	2,917,889
Net income for year	—	—	—	—	1,978,470
Common stock sold under incentive stock purchase plan—500 shares	500	—	—	5,625	—
Common stock purchased for retirement	(600)	—	—	(7,810)	—
Common stock purchased for treasury—6,150 shares	—	—	(68,329)	—	—
Balance, October 31, 1970	1,582,100	—	(80,254)	1,909,445	4,896,359
Net income for year	—	—	—	—	2,619,006
Cash dividends on common stock ($.60 per share)	—	—	—	—	(946,084)
Common stock sold under incentive stock purchase plan—3,500 shares	3,500	—	—	67,366	—
Stock options exercised	1,021	—	—	10,617	—
Common stock purchased for treasury—500 shares	—	—	(10,256)	—	—
Balance, October 31, 1971	1,586,621	—	(90,510)	1,987,428	6,569,281
Net income for year	—	—	—	—	3,009,863
Cash dividends on common stock ($.45 per share)	—	—	—	—	(715,205)
Common stock sold under incentive stock purchase plan—400 shares	—	—	8,050	1,450	—
Stock options exercised	19,007	—	—	201,274	—
Common stock purchased for treasury—30,305 shares	—	—	(567,573)	—	—
Balance, October 31, 1972	1,605,628	—	(650,033)	2,190,152	8,863,939
Net income for year	—	—	—	—	3,375,077
Cash dividends on common stock ($.80 per share)	—	—	—	—	(1,295,231)
Common stock sold under incentive stock purchase plan—400 shares	—	—	6,980	(2,180)	—
Stock options exercised	5,457	—	—	42,742	—
Common stock purchased for treasury—20,182 shares	—	—	(370,263)	—	—
Common stock issued in connection with acquisition of Gardner Advertising Company, Inc.	77,476	—	—	1,617,311	—
Balance, October 31, 1973	1,688,561	—	(1,013,316)	3,848,025	10,943,735
Net income for ten months	—	—	—	—	2,388,561
Cash dividends on common stock ($.51 per share)	—	—	—	—	(832,134)
Stock options exercised	634	—	—	3,883	—
Balance, August 31, 1974	$ 1,689,195	$ —	$(1,013,316)	$ 3,851,908	$12,500,212

See Notes to Consolidated Financial Statements.

WELLS, RICH, GREENE, INC. AND SUBSIDIARY COMPANIES

STATEMENT OF CHANGES IN CONSOLIDATED FINANCIAL POSITION

For the Five Years Ended October 31, 1973 and the Ten Months Ended August 31, 1974 and 1973

	Year Ended October 31					Ten Months Ended August 31	
	1969	1970	1971	1972	1973	1973	1974
FUNDS PROVIDED:							
From operations:							
Net income	$1,586,735	$1,978,470	$2,619,006	$3,009,863	$ 3,375,077	$ 2,360,925	$ 2,388,561
Depreciation and amortization of property	101,481	221,560	323,933	363,882	622,904	533,080	484,772
Amortization of deferred compensation expense	73,325	202,375	163,481	155,535	144,693	121,255	65,614
Amortization of deferred costs of advertising and product development services	591,868	461,581	644,279	525,755	647,549	489,794	731,745
Amortization of investment in oil and gas properties	—	71,494	115,193	77,961	92,340	76,950	65,925
Amortization of motion picture, scripts, etc.	—	—	—	—	988,363	972,546	637,723
Increase (decrease) in deferred income taxes and deferred compensation	64,461	112,991	196,830	232,694	377,161	405,179	(324,673)
Total from operations	2,417,870	3,048,471	4,062,722	4,365,690	6,248,087	4,959,729	4,049,667
Transactions relating to the acquisition of Gardner Advertising Company, Inc. which did not affect working capital:							
Issuance of common stock	—	—	—	—	1,694,787	1,694,787	—
Costs of acquisition	—	—	—	—	100,213	100,213	—
Add (deduct) non-current (assets) liabilities acquired:							
Deferred costs of advertising	—	—	—	—	(61,865)	(61,865)	—
Property—net	—	—	—	—	(1,117,162)	(1,117,162)	—
Other assets	—	—	—	—	(62,037)	(62,037)	—
Deferred income taxes	—	—	—	—	50,000	50,000	—
Deferred compensation	—	—	—	—	96,880	96,880	—
Installment loans payable, non-current	—	—	—	—	546,406	546,406	—
Total	—	—	—	—	1,247,222	1,247,222	—
Sale of common stock	225,560	2,450	40,241	229,781	52,999	52,161	4,517
Decrease in investment in properties	—	—	—	—	95,240	—	—
Other	—	—	56,705	52,710	91,350	42,889	—
Total	$2,643,430	$3,050,921	$4,159,668	$4,648,181	$ 7,734,898	$ 6,302,001	$ 4,054,184
FUNDS APPLIED:							
Cash dividends	—	—	$ 946,084	$ 715,205	$ 1,295,231	$ 968,986	$ 832,134
Expenditures for property	$1,437,352	$1,349,371	198,410	813,488	863,132	821,846	798,159
Deferred costs of advertising and product development services	415,280	506,611	812,844	919,323	1,323,159	1,190,970	815,058
Investment in properties (principally oil and gas)	943,946	616,640	61,844	20,941	—	—	27,607
Motion picture joint venture, scripts, etc.	35,257	333,396	1,107,780	574,108	329,695	239,985	76,795
Common stock purchased	11,925	76,739	10,256	567,573	370,263	370,263	—
Payment of deferred compensation	—	—	—	17,500	20,000	17,500	25,883
Reduction in installment loans payable	—	—	—	—	138,341	116,904	70,759
Other	69,041	83,261	—	—	—	—	196,435
Increase (decrease) in working capital*	(269,371)	84,903	1,022,450	1,020,043	3,395,077	2,575,547	1,211,354
Total	$2,643,430	$3,050,921	$4,159,668	$4,648,181	$ 7,734,898	$ 6,302,001	$ 4,054,184

* See details on subsequent page.

See Notes to Consolidated Financial Statements.

WELLS, RICH, GREENE, INC. AND SUBSIDIARY COMPANIES

STATEMENT OF CHANGES IN CONSOLIDATED FINANCIAL POSITION—(Continued)

	Year Ended October 31						Ten Months Ended August 31		
					1973		1973		
	1969	1970	1971	1972	Acquisition of Gardner Advertising Company, Inc. Working Capital	Other Changes	Acquisition of Gardner Advertising Company, Inc. Working Capital	Other Changes	1974
CHANGES IN WORKING CAPITAL:									
Current assets—increase (decrease):									
Cash	$ (660,317)	$ 874,495	$ 626,002	$1,056,698	$ 196,548	$1,748,318	$ 196,548	$(3,475,005)	$(3,552,454)
Marketable securities	345,871	424,233	(669,349)	—	—	899,245	—	3,899,245	4,690,415
Accounts receivable	1,379,837	4,412,952	562,523	(3,277,320)	6,924,529	31,202	6,924,529	1,772,255	(1,622,215)
Billable production expenditures	392,484	123,187	44,397	(2,303)	743,454	215,259	743,454	512,824	332,828
Prepaid expenses, etc.	41,625	(22,607)	49,644	77,064	110,141	256,340	110,141	293,594	(260,478)
Stock subscriptions receivable	(68,600)	—	—	—	—	—	—	—	—
Increase (decrease) in current assets	1,430,900	5,812,260	613,217	(2,145,861)	7,974,672	3,150,364	7,974,672	3,002,913	(411,904)
Current liabilities—increase (decrease):									
Notes payable to bank	—	—	—	—	800,000	(800,000)	800,000	(800,000)	—
Current portion of installment loans payable	—	—	—	—	133,303	5,038	133,303	12,155	(45,641)
Accounts payable	1,537,382	4,582,747	(19,984)	(2,198,256)	5,455,121	1,677,244	5,455,121	2,757,021	(1,670,722)
Accrued taxes	71,538	1,280,122	(710,568)	(788,755)	163,571	(190,418)	163,571	(190,418)	527,842
Other accrued expenses	91,351	(135,512)	84,473	57,953	175,455	(15,600)	175,455	(104,170)	(108,492)
Dividend payable	—	—	236,846	(236,846)	—	326,245	—	—	(326,245)
Increase (decrease) in current liabilities	1,700,271	5,727,357	(409,233)	(3,165,904)	6,727,450	1,002,509	6,727,450	1,674,588	(1,623,258)
Increase (decrease) in working capital	$ (269,371)	$ 84,903	$1,022,450	$1,020,043	$1,247,222	$2,147,855	$1,247,222	$1,328,325	$ 1,211,354

See Notes to Consolidated Financial Statements.

WELLS, RICH, GREENE, INC. AND SUBSIDIARY COMPANIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Summary of significant accounting policies

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Company and all subsidiaries. Foreign operations are not significant.

Deferral and Amortization of Costs of Advertising and Product Development Services

During the period immediately following the Company's appointment as advertising agency by a new client and before media billing commences (generally three months), the Company devotes substantial time and expense to a study of the client's products, markets, objectives, and media plans and to the creation of an advertising strategy including an initial campaign. Apart from fees received to reimburse the Company for a portion of these expenses, no revenue is expected to be obtained until the start of media billing. The Company, therefore, follows the policy of deferring these initial period costs plus related overhead, less fees, if any, applicable thereto and amortizing them on the straight-line method over a thirty-six month period beginning with the month of initial media billing, with a small portion of such net costs, estimated as attributable to the initial campaign, being amortized in a like manner over an eighteen-month period.

Similarly, when a client requests services to develop marketing and other promotion ideas for new products, the costs of which are recoverable only against billing as such products are advertised, the Company defers the net costs and overhead relating to these development services and amortizes them on the straight-line method over a thirty-six month period beginning when media billing commences. Any unamortized deferred costs attributable to clients or clients' products for which the Company's advertising services are terminated are written off against commissions received during the final months of media billing (generally three months) during which period expenses attributable to the client are customarily reduced. Furthermore, if the level of media billings for a client or product subsequently declines to such an extent that all or a portion of the unamortized deferred costs applicable thereto cannot reasonably be expected to be recovered from related revenues from commissions and service fees, such portion of the unamortized deferred costs is charged to operations during the fiscal period in which such decline in media billings occurs.

Accounting for Revenues

Revenues from "Commissions and service fees" represent commissions earned from advertising placed with various forms of media, production commissions billed or accrued on expenditures incurred for clients, and fees derived from miscellaneous services. In accordance with prevailing industry practice, "Gross billings" are included for statistical purposes, and are calculated by multiplying revenues from "Commissions and service fees" by 6.67, since these revenues generally amount to 15% of such billings.

The Company generally recognizes revenue on broadcast advertising based on broadcast date, on magazine advertising based on magazine closing date and on billable production costs based on date cost is incurred.

WELLS, RICH, GREENE, INC. AND SUBSIDIARY COMPANIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Accounting for Investments in Oil and Gas Properties

All expenditures (intangible drilling and development costs, lease costs and lease and well equipment) relating to the purchase of the Company's undivided interests in various oil and gas properties have been capitalized and are being amortized on an overall unit-of-production basis.

Accounting for Motion Picture Joint Venture, Scripts and other Creative Productions

The Company has deferred certain costs, primarily production advances, salaries and general overhead related to the motion picture joint venture mentioned in Note 5 and certain other scripts and productions in process. Such costs are amortized against the revenue expected to be realized from the distribution and exhibition of the related productions and based on estimated net realizable value.

Depreciation and Amortization Policy

Depreciation is provided on furniture and equipment (except paintings and art objects, which are not depreciated) principally on the straight-line method over the estimated useful lives of the assets. Leasehold costs are amortized on the straight-line method over the shorter of the terms of the related leases or the estimated useful lives of the assets.

Estimated useful lives used in the computation of depreciation on furniture and equipment are as follows:

Furniture and fixtures	10 years
Office and projection equipment	9 years
Automobiles	4 years

Maintenance and repairs are charged to operations; renewals and betterments are capitalized. The cost of property sold or otherwise disposed of and accumulated depreciation thereon are eliminated from the property and related accumulated depreciation accounts; any resulting gain or loss is credited or charged to income.

Accounting for Stock Purchase Plans

Upon the exercise of options under the Company's Stock Option Plan (see Note 7), the par value of the shares issued is credited to the common stock account and the excess of the option price over the par value is credited to capital in excess of par value.

The difference between the subscription price and the fair value on the date of grant of shares made available to employees under the Company's Incentive Stock Purchase Plan (see Note 7) is charged to deferred compensation expense and is amortized over a five-year period as restrictions lapse on the applicable stock.

Income Taxes

For income tax purposes, depreciation and amortization of property are computed on an accelerated method and deferred costs of advertising and product development services are deducted during the year incurred.

WELLS, RICH, GREENE, INC. AND SUBSIDIARY COMPANIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Intangible drilling and development costs for both productive and non-productive oil and gas wells, which are capitalized for financial accounting purposes, are deducted for income tax purposes during the year incurred.

Investment tax credits are recorded as reductions of the current provision for Federal income taxes as eligible property is acquired.

Net Income Per Share of Common Stock

Net income per share of common stock is computed by dividing net income by the weighted average number of shares outstanding. The effect of stock options and incentive stock purchase arrangements are not included in this computation because they are either not dilutive or their effect insignificant.

Net income per share of common stock—assuming full dilution gives effect to the assumed exercise of dilutive stock options.

2. Acquisition of Gardner Advertising Company, Incorporated

In December 1972, the Company acquired through a wholly-owned subsidiary all of the assets and assumed certain of the liabilities of Gardner Advertising Company, Incorporated, in exchange for 77,476 shares of the Company's common stock. The transaction was accounted for as a purchase since, in connection with the acquisition, the Company acquired 50,000 shares of common stock for the treasury (20,100 in the year ended October 31, 1973). The fair value of the Company's shares exchanged for the capital stock of Gardner plus the direct costs attributed to the acquisition (totaling $1,795,000) was less than Gardner's net tangible assets at date of acquisition by $263,000 which amount was applied against the depreciable assets and will result in a reduction of depreciation charges over the remaining lives of the related properties. The Statement of Consolidated Income includes the results of operations of Gardner from the effective date of acquisition, November 1, 1972. The following is a pro forma summary of the combined consolidated operations of the Company and Gardner for the year ended October 31, 1972 (after conforming Gardner's accounting policies to those followed by the Company):

Gross billings	$173,017,000
Revenues from commissions and service fees	$ 25,956,563
Net income	$ 3,172,678
Net income per share of common stock	$ 1.96
Net income per share of common stock—assuming full dilution	$ 1.89

3. Investment in oil and gas properties

Based on the reports received from the companies managing the Company's investments, the estimated recoverable reserves, realizable over a period of years, on the properties held on August 31, 1974 had a current gross sales value of $4,203,297.

WELLS, RICH, GREENE, INC. AND SUBSIDIARY COMPANIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

4. Deferred costs of advertising and product development services

At August 31, 1974, unamortized balances of deferred costs of advertising and product development services were as follows:

Advertising service costs—new clients	$ 304,585
Development service costs—new products (principally relating to products being advertised or with agreed initial media billing dates)	2,171,713
Total	$2,476,298

Deferred costs at August 31, 1974 are expected to be amortized as follows:

1974—September 1 through October 31	$ 159,199
Years ending October 31:	
1975	1,016,261
1976	873,227
1977	339,262
1978	84,794
1979	3,555

5. Motion picture joint venture, scripts, etc.

Motion picture joint venture, scripts, etc., consist primarily of the accumulated costs incurred by the Company's 80%-owned subsidiary relating to a motion picture and various other productions. The subsidiary's major project, a motion picture produced by a joint venture in which the subsidiary has a 50% interest, was completed during fiscal 1972 and released for exhibition in late October 1972.

During fiscal 1973, the motion picture was in distribution and exhibition in certain domestic market areas. The subsidiary amortized 50% of its costs accumulated in connection with the motion picture based on the extent of the domestic theatre exhibition during fiscal 1973 and estimated net realizable value. Effect has been given to such amortization in the Statement of Consolidated Income for the ten months ended August 31, 1973.

During the first ten months of fiscal 1974, the motion picture was distributed in certain foreign and domestic market areas. During the ten months ended August 31, 1974, the subsidiary amortized an additional 37% of its cost accumulated in connection with the motion picture based upon the extent of combined domestic and foreign theatre exhibition to August 31, 1974 and estimated net realizable value.

Such amortization has been included in Expenses in the Statement of Consolidated Income for the respective periods. The remaining accumulated costs relating to the motion picture ($200,000 at August 31, 1974) are included in the Consolidated Balance Sheet.

Although management is of the opinion that all deferred costs relating to the motion picture and various other productions will be recovered from revenues to be derived from the related productions, including the exhibition of the motion picture in the remaining domestic theater markets, foreign markets, television, etc., the ultimate future realization of such costs is not presently determinable.

WELLS, RICH, GREENE, INC. AND SUBSIDIARY COMPANIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

6. Installment loans payable

Gardner Advertising Company, Incorporated, a wholly-owned subsidiary of the Company at August 31, 1974 which was merged into the Company effective September 30, 1974, has the following installment loans payable as of August 31, 1974:

	Current	Long-Term
Note payable quarterly through June 30, 1976, 1% above the prime rate	$ 80,000	$ 80,000
10% installment loan payable monthly through May 1, 1986	12,700	256,724
Total	$ 92,700	$336,724

7. Stock purchase plans

a) Stock Option Plan—The Company's Stock Option Plan provides for the granting to key employees of qualified options, non-qualified options, or tandem options for the purchase of the Company's common stock. The Company has not granted any tandem options since August 1972. Qualified options and non-qualified options may be granted at not less than 100% and 85%, respectively, of the fair market value of the common stock on the date of grant and must be exercised within five years and ten years, respectively, from such date. Tandem options are exercised as either qualified or non-qualified options at the option of the employee. No options granted under the Plan may be exercised for a period of six months from the date of grant. Also, payment for shares purchased upon the exercise of options may, at the discretion of the Compensation Committee, be in installments, provided that full option price must be paid by the end of ten years from the date of exercise. All options granted under the Plan have been at 100% of the fair market value of the common stock or higher at date of grant.

On June 13, 1973, certain optionees voluntarily tendered to the Board of Directors their agreements, covering 92,367 shares of common stock, in order to accelerate the expiration dates of their options under the Plan. Such shares then became available for future grants.

WELLS, RICH, GREENE, INC. AND SUBSIDIARY COMPANIES

NOTES TO CONSOLIDATED STATEMENT OF INCOME—(Continued)

A summary of pertinent information with respect to stock options for the five years ended October 31, 1973 and the ten months ended August 31, 1974 is presented below:

	Number of Shares	Option Price		Market Price(a)	
		Per Share	Total	Per Share	Total
Years during which options were granted:					
1969	46,825	$ 9.875-15.00	$ 644,913	$ 9.875-15.00	$ 644,913
1970	31,150	6.00 -13.00	249,881	6.00 -13.00	249,881
1971	252,416	14.00 -20.50	5,173,449	14.00 -20.50	5,173,449
1972	31,000	22.75 -23.50	706,937	22.75 -23.50	706,937
1973	105,552	10.625-11.125	1,237,534	10.625-11.125	1,237,534
Ten months ended August 31, 1974	39,000	7.25 - 9.375	309,500	7.25 - 9.375	309,500
Options which became exercisable during:					
1969	7,831	$ 17.50	$ 137,043	$ 10.625	$ 83,244
1970	17,433	14.00 -17.50	269,557	6.00 -12.75	167,754
1971	26,888	6.00 -17.50	245,051	16.50 -24.50	426,038
1972	199,534	6.00 -23.50	3,920,702	18.375-24.00	3,740,386
1973	45,352	6.00 -23.50	853,102	10.375-19.375	746,125
Ten months ended August 31, 1974	46,627	10.625-22.75	710,356	7.375-10.625	391,947
Options exercised during:					
1971	1,021	$ 6.00 -14.00	$ 11,638	$19.00 -24.875	$ 21,357
1972	19,007	6.00 -20.50	220,281	18.375-27.875	448,923
1973	5,457	6.00 -14.00	48,199	11.00 -20.50	103,700
Ten months ended August 31, 1974	634	6.00 -8.375	4,517	7.25 - 9.125	5,159

(a) Market prices shown above are based on fair market values on the dates options were granted, became exercisable, or were exercised, as indicated.

WELLS, RICH, GREENE, INC. AND SUBSIDIARY COMPANIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

	Number of Shares	Option Price		Fair Market Value(a)	
		Per Share	Total	Per Share	Total
Shares under options outstanding at August 31, 1974 by year of grant:					
Qualified Stock Options:					
1970	8,818	$ 6.00- 8.375	$ 66,329	$ 6.00- 8.375	$ 66,329
1973	9,600	10.625	102,000	10.625	102,000
Ten months ended August 31, 1974	14,000	8.625- 9.375	128,250	8.625-9.375	128,250
Total Qualified Options	32,418		$ 296,579		$ 296,579
Tandem Options:					
1971	30,000	$20.50	$ 615,000	$20.50	$ 615,000
1972	28,750	22.75	654,063	22.75	654,063
Total Tandem Options	58,750		$1,269,063		$1,269,063
Non-qualified Options:					
1971	150,000	$20.50	$3,075,000	$20.50	$3,075,000
1973	68,055	10.625-11.125	724,084	10.625-11.125	724,084
Ten months ended August 31, 1974	25,000	7.25	181,250	7.25	181,250
Total Non-qualified Options	243,055		$3,980,334		$3,980,334
Total Options Outstanding	334,223		$5,545,976		$5,545,976

(a) Market prices shown above are based on fair market values on the dates options were granted.

At August 31, 1974, options as to 233,202 shares were exercisable at option prices of $6.00 to $22.75 per share, and at August 31, 1974 and October 31, 1973, 3,408 and 13,831 shares, respectively, were available for grant under the Plan.

WELLS, RICH, GREENE, INC. AND SUBSIDIARY COMPANIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

b) Incentive Stock Purchase Plan—Under the Company's Incentive Stock Purchase Plan, key employees of the Company and its subsidiaries could subscribe to a total of 85,000 shares of common stock. The purchase price of the shares made available to an employee under the Plan was equal to the greater of either (i) 40% of the fair market value of the shares of common stock on the business day immediately preceding the date an employee was given the right to purchase such shares, or (ii) the consolidated book value of a share of common stock as of the end of the fiscal year preceding such date. The Committee which administers the Plan is authorized to impose restrictions, as to the disposition of the shares purchased by employees under this Plan, which restrictions lapse in annual installments.

A summary of pertinent information with respect to subscription rights exercisable and exercised under the Plan for the five years ended October 31, 1973 is presented below:

	Number of Shares Under Subscription	Subscription Price		Fair Market Value	
		Per Share	Total	Per Share	Total
Became Exercisable (Date of Grant):					
Year ended October 31:					
1969	39,700	$5.60–$6.00	$225,560	$14.00–$15.00	$563,900(a)
1970	500	4.90	2,450	12.25	6,125(a)
1971	3,500	8.05	28,175	20.125	70,438(a)
1972	400	9.50	3,800	23.75	9,500(a)
1973	400	7.66	3,064	12.00	4,800(a)
Exercised:					
Year ended October 31:					
1969	39,700	$5.60–$6.00	$225,560	$ 9.75–$17.00	$507,333(b)
1970	500	4.90	2,450	12.25	6,125(b)
1971	3,500	8.05	28,175	19.375	67,844(b)
1972	400	9.50	3,800	21.375	8,550(b)
1973	400	7.66	3,064	11.75	4,700(b)

Fair Market Value:

(a) on dates of grant and dates rights became exercisable.
(b) on dates rights were exercised.

The right to grant options under the Plan expired in August 1973 and no more shares are available for grant under the Plan.

8. Executive Incentive Plan

The Plan provides for the crediting of 10% of the net earnings from operations of the Company and its consolidated subsidiaries before taxes (as defined) to an annual fund which is available in whole or in part for awards to key employees. The Plan calls for an annual award to the Company's Chief Executive Officer equal to 25% of the annual fund and an award to any employee who has an employment agreement, approved by the Board of Directors, that provides for such an award.

WELLS, RICH, GREENE, INC. AND SUBSIDIARY COMPANIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

The Officers' Deferred Incentive Program provides for the crediting of a minimum of 15% of the annual fund under the Plan as a program fund which is available for awards to officers of the Company except officers at the level of Senior Vice President or higher. The Committee administering the Plan determines which employees shall receive grants of awards and the amounts thereof. Awards granted pursuant to the Program vest either (a) over a period of five years measured from the date the employee initially became an officer of the Company or (b) upon his death or disability. Awards or portions thereof which are forfeited as a result of termination of employment prior to vesting will be allocated pro rata to other employees who received awards in the same year the forfeited award was granted. Payment of the vested portion of such awards will be made annually, in equal installments, over a period of five years commencing on the January 1 next following the date of termination of employment. Subject to the discretion of the Compensation Committee, the payment of the vested portion of an award may be accelerated to a date no earlier than the date of termination of employment. See Note F of the Notes to Statement of Consolidated Income.

9. Commitments and contingent liabilities

The Company has entered into employment agreements with seven key employees (including the Chief Executive Officer) providing for basic aggregate salaries of $660,000 per annum. Under six of these contracts, the Chief Executive Officer and five other employees agree to act as consultants to the Company for specified periods following their active employment, for which services they will receive aggregate consulting fees of $255,000 per annum for the first two years and $233,000 per annum thereafter. The agreement with the Chief Executive Officer is for twelve years commencing May 1, 1969 and the specified consulting term of her employment contract is an additional twelve-year period following her employment. See Note 8 for Executive Incentive Plan award.

Under the aforementioned employment contracts the Company will also pay the employees' designated beneficiaries an aggregate of $2,250,000 in the event of the employees' deaths. The Company is insured for its liabilities under these contracts. The Company has agreed to pay seven of its employees deferred compensation aggregating $869,000 at specified dates stated in their respective contracts. Cumulative deferred compensation amounted to approximately $396,000 (including amounts applicable to three retired employees) at August 31, 1974.

The Company and its subsidiaries lease their present office facilities under long-term leases.

WELLS, RICH, GREENE, INC. AND SUBSIDIARY COMPANIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Future minimum rental commitments under non-cancellable leases (subject to escalation) are as follows:

Year Ending October 31	Gross Rentals	Sub-lease Income	Net Rentals
1974*	$ 298,000	$ 46,000	$ 252,000
1975	1,788,000	291,000	1,497,000
1976	1,755,000	234,000	1,521,000
1977	1,722,000	90,000	1,632,000
1978	1,704,000	85,000	1,619,000
1979	1,704,000	85,000	1,619,000
For the Five Year Period Ending October 31			
1984	$8,522,000	$ 18,000	$8,504,000
1989	5,642,000	—	5,642,000

* September 1 through October 31, 1974

10. **Subsequent events**

Dividend—On September 4, 1974 the Board of Directors declared a regular quarterly cash dividend of $.17 per share on its outstanding common stock payable on October 11, 1974 to stockholders of record on September 30, 1974. No effect has been given to such dividend in the financial statements as of August 31, 1974 and for the ten months then ended.

Exchange Offer—On September 4, 1974, the Company announced plans to offer to exchange $3 in cash and $8 principal amount of 10% Subordinated Sinking Fund Debentures due in 1984 for up to 1,405,008 shares of its outstanding common stock. Interest on the Debentures will be payable semi-annually in each year commencing in 1975. Under terms of the Indenture relating to the Debentures the Company is required to make mandatory annual Sinking Fund payments in each of the years 1975 to 1983 inclusive, in an amount in cash (subject to credit for cash spent for the purchase of Debentures in the open market) equal to 10% of the aggregate principal amount of the originally outstanding Debentures. Under the Indenture the declaration of dividends by the Company (other than dividends payable in shares of any class of stock of the Company) after November 1, 1974 will be limited to 50% of the consolidated net income of the Company and its subsidiaries for the period from November 1, 1973 through the end of the fiscal quarter preceding the date of such declaration. The Company is not restricted by the Indenture from making any other distribution on its capital stock or purchasing or redeeming any of its capital stock.

The Company cannot predict the initial trading price of the Debentures but, based on current market conditions, the fair market value of the Debentures upon issuance is likely to be significantly below the principal amount which will result in a significant charge to income in future years as such debt discount is amortized over the terms of the Debentures issued.

EXHIBIT 5

Form of Letter of Transmittal

This Exchange Offer Expires November 25, 1974 at 5:00 P.M. New York City Time, Unless Extended.

LETTER OF TRANSMITTAL

for Shares of Common Stock of

WELLS, RICH, GREENE, INC.

IMPORTANT: Each stockholder desiring to participate in the Exchange Offer must complete this Letter of Transmittal and should send or deliver it to the Exchange Agent referred to below, together with his stock certificates and any other required documents. Please read carefully the instructions on the reverse side.

To: THE CHASE MANHATTAN BANK, N.A., Exchange Agent

Mailing Address:

The Chase Manhattan Bank, N.A.
Post Office Box 2437
Church Street Station
New York, New York 10008

Hand Delivery:

The Chase Manhattan Bank, N.A.
Corporate Agency Division
1 New York Plaza, 14th Floor
New York, New York 10015

Gentlemen:

Pursuant to the Exchange Offer of Wells, Rich, Greene, Inc. (the "Company") to the holders of its Common Stock, as set forth in the Company's Prospectus dated November 4, 1974 (the "Prospectus"), receipt of which is hereby acknowledged, the undersigned hereby tenders the shares of Common Stock listed below (the "Tendered Shares") in exchange for $3 in cash and $8 principal amount of 10% Subordinated Sinking Fund Debentures due November 1, 1984 of the Company ("Debentures") for each Tendered Share.

Accordingly, the undersigned hereby deposits or agrees to deposit (any such later deposit being guaranteed as indicated below) with the Exchange Agent the certificates listed below representing the Tendered Shares and, subject to acceptance of this tender by the Company and payment of cash and Debentures therefor in accordance with the Prospectus, the undersigned hereby sells, assigns and transfers to the Company all of his right, title and interest in and to the Tendered Shares. The Exchange Agent is hereby authorized and instructed to sell, assign and transfer all of the Tendered Shares and to deliver the certificates therefor, together with all accompanying evidences of transfer and authenticity, to or upon the order of the Company upon receipt by the Exchange Agent of the cash and Debentures to be exchanged for the Tendered Shares.

The undersigned represents and warrants that the undersigned has full power and authority to tender and to sell, assign and transfer without restriction the Tendered Shares and that the Company will acquire good and unencumbered title thereto, free and clear of all liens, restrictions, charges and encumbrances and not subject to any adverse claim. The undersigned will, upon request, execute any additional documents deemed necessary or desirable by the Company to complete the sale, assignment and transfer of the Tendered Shares. All authority herein conferred or agreed to be conferred shall survive the death or incapacity of the undersigned and any obligation of the undersigned hereunder shall be binding upon the heirs, personal representatives, successors and assigns of the undersigned. Except as stated in the Prospectus, this tender is irrevocable.

DESCRIPTION OF SHARES TENDERED
(See Instruction 1)

Name(s) and Address of Registered Owner(s) as Shown on Certificate(s)	Certificates Surrendered		Number of Shares Tendered*
	Serial Number	Number of Shares	
Tax Identification or Social Security Number(s) of present registered owner(s) if not listed above.	TOTAL		

NOTE: If additional space is required, attach a separate sheet.

* If fewer than all the shares which are evidenced by any certificate listed above are to be tendered, please indicate in this column the exact number which are to be tendered. Otherwise, all the shares evidenced by such certificate will be deemed to have been tendered.

The check and the Debentures to be issued in exchange for the Tendered Shares should be issued to the order of the undersigned and mailed to the address shown at the foot of this Letter of Transmittal (unless otherwise indicated under the Special Payment and Issuance Instructions or the Special Mailing Instructions).

SPECIAL PAYMENT AND ISSUANCE INSTRUCTIONS

To be completed ONLY if check and Debentures are to be issued to someone other than the undersigned.

Issue and mail check and Debentures to

Name .....
(please print)

Address .....

.....
(zip code)

SPECIAL MAILING INSTRUCTIONS

To be completed ONLY if check and Debentures issued to the undersigned are to be sent to someone other than the undersigned.

Mail check and Debentures to

Name .....
(please print)

Address .....

.....
(zip code)

GUARANTEED DELIVERY OF TENDERED SHARES AT A LATER DATE (See Instruction 2)
(Use only if the certificates representing Tendered Shares are not enclosed herewith.)

If the certificates representing the Tendered Shares are not enclosed, a commercial bank or trust company located in the United States, a member of any national securities exchange, or a member of the National Association of Securities Dealers, Inc. must guarantee in the space provided below that such certificates will be deposited with the Exchange Agent.

TO BE USED ONLY IF CERTIFICATES ARE NOT TRANSMITTED HEREWITH

The undersigned,

☐ a commercial bank or trust company located in the United States,

☐ a member of a national securities exchange, or

☐ a member of the National Association of Securities Dealers, Inc.,

guarantees delivery to the Exchange Agent of certificates for the Tendered Shares within 8 days after the expiration of the Exchange Offer.

Firm Name: .....

Address: .....

By: ..... Tel. No. .....
Authorized Signature

The undersigned recognizes that under certain circumstances described in the Prospectus, the Company may not be required to purchase any portion of the Tendered Shares. In that event, the undersigned understands that certificate(s) for Tendered Shares not accepted will be returned to the undersigned, or as otherwise indicated under "Special Mailing Instructions."

SOLICITED TENDERS
(See Instruction 3)

Name and address of the member of the National Association of Securities Dealers, Inc. (or foreign broker or dealer agreeing to conform to the Rules of Fair Practice of such association) who solicited this tender:

Firm Name .....
(please print)

Address .....

.....
(zip code)

Individual .....

Acceptance of compensation will constitute a representation that the above-named person has not engaged in any activity prohibited by the Securities Exchange Act of 1934 or the rules and regulations thereunder in connection with such solicitation and that said person is entitled to such compensation in accordance with the provisions of the Exchange Offer.

DATE AND SIGN HERE

....., 1974
(please date)

X .....

X .....

Signature(s) of Owner(s)

Must be signed by registered holder(s) exactly as name(s) appears on certificate(s) or by person(s) authorized to become registered holder(s) by certificate(s) and documents transmitted. (See Instruction 4)

Name .....
(please print)

Address .....

.....
(zip code)

Area Code and Tel. No. .....

Signature(s) Guaranteed: .....
(See Instruction 4)

.....

FOR USE OF EXCHANGE AGENT ONLY

Date Received	Number of Shares of Common Stock Received	Number of Shares of Common Stock Tendered	Principal Amount of Debentures Issued
	Check No. Issued	Amount of Check Issued	Number of Shares of Common Stock Returned

INSTRUCTIONS FOR TENDERING COMMON STOCK

To tender shares of Common Stock of Wells, Rich, Greene, Inc. (the "Company"), this Letter of Transmittal must be properly filled in, dated and signed and delivered prior to the expiration of the Exchange Offer together with your Common Stock certificates described herein (unless delivery is guaranteed as provided in this Letter of Transmittal) to the Exchange Agent at the following addresses:

If by Mail:
THE CHASE MANHATTAN BANK, N.A.
Post Office Box 2437
Church Street Station
New York, N. Y. 10008

If by Hand:
THE CHASE MANHATTAN BANK, N.A.
Corporate Agency Division
1 New York Plaza, 14th Floor
New York, N. Y. 10015

The method of delivery is at the option and risk of the holder, but delivery will be deemed effective only when actually received by the Exchange Agent. If such delivery is by mail, it is suggested that insured, registered mail be used.

Inquiries and requests for assistance may be directed to your broker or bank or to D. F. King & Co., Inc. D. F. King & Co., Inc. is assisting the Company in connection with the Exchange Offer and is located at:

2 North Riverside Plaza	20 Exchange Place	3871 Piedmont Avenue
Chicago, Illinois 60606	New York, New York 10005	Oakland, California 94611
312-263-5881 (collect)	212-269-5550 (collect)	415-547-1119 (collect)

Do not send Letters of Transmittal or certificates to D. F. King & Co., Inc. or to the Company.

1. Description of Shares Tendered

Name. If shares owned by you are registered differently on several stock certificates, it will be necessary for you to complete, sign and submit as many separate Letters of Transmittal as there are different registrations of your shares.

Number of Shares. All the shares represented by each of the certificates that you list will be deemed to have been tendered unless you indicate otherwise in the column entitled "Number of Shares Tendered".

Serial Number. Copy exactly in the indicated boxes the serial numbers appearing on the certificates representing the shares you wish to tender.

Tax Identification Number. Enter the tax identification or social security number of the present registered owner(s) of the shares being tendered.

2. Guaranteed Delivery of Tendered Shares at a Later Date

You will be deemed to have effectively tendered shares of Common Stock if (1) prior to the expiration of the Exchange Offer the Exchange Agent receives your properly completed Letter of Transmittal covering the shares you wish to tender with the block below the heading "GUARANTEED DELIVERY OF TENDERED SHARES AT A LATER DATE" properly filled in by a commercial bank or trust company located in the United States or by a member firm of any national securities exchange or the National Association of Securities Dealers, Inc., or (2) prior to the expiration of the Exchange Offer the Exchange Agent receives a letter or telegram from a commercial bank or trust company located in the United States or from a member firm of any national securities exchange or the National Association of Securities Dealers, Inc., giving your name, the number of shares of Common Stock you wish to tender and, if available, the name in which the shares you wish to tender are registered and the serial numbers of the certificates representing those shares, stating, in each case, that a tender is being made thereby and guaranteeing that within eight days after expiration of the Exchange Offer the certificates for Common Stock, together with a Letter of Transmittal (and any other required documents), will be deposited with the Exchange Agent; provided, however, that unless delivery of the shares to the Exchange Agent by the party making a guarantee as described under (1) and (2) above is made (such delivery to include a properly completed Letter of Transmittal and any other required documents, unless previously delivered) within eight days after expiration of the Exchange Offer, the Company may, at its option, reject such tender. In any event, no payment will be made or Debentures issued to a tendering stockholder until his stock certificates (accompanied or preceded by a properly completed Letter of Transmittal and any other required documents) are received by the Exchange Agent.

3. Solicited Tenders

Subject to the terms and conditions of the Prospectus described on the front of this letter, the Company will pay to a Soliciting Dealer whose name appears on the front of the letter under "Solicited Tenders" and who signs the proper form of Soliciting Dealer Agreement a fee at the rate of 37½¢ for each share of Common Stock exchanged under the Exchange Offer which has been tendered in proper form through such Dealer's efforts; provided, however, that such a fee will be paid only with respect to transactions in jurisdictions where such payment may legally be made.

4. Signature

If you are the person whose name appears on the certificates representing the shares that you are tendering, sign the Letter of Transmittal exactly as your name appears on such certificates. Do not endorse the certificates you are tendering.

If you are tendering shares represented by certificates on which there appears a name other than your own, (i) your signature on this Letter of Transmittal must be guaranteed by a commercial bank or trust company located in the United States or by a member firm of a national securities exchange or the National Association of Securities Dealers, Inc., (ii) the tendered certificates must be endorsed or accompanied by stock powers signed by the registered owner and (iii) the signature on the endorsement or stock power must also be guaranteed by a bank or member firm as described under (i) above.

Also, if you request in this Letter of Transmittal that the check and Debentures to which you are entitled be issued in the name of a third party, your signature on this Letter of Transmittal must be similarly guaranteed.

In case of joint ownership, all joint owners must sign. Letters of Transmittal submitted by trustees, executors, administrators, guardians, officers of corporations, attorneys-in-fact or others acting in a fiduciary capacity must be accompanied by evidence satisfactory to the Exchange Agent and to the Company as to the signer's authority to act. Additional evidence of authority may be required by the Exchange Agent or the Company in their discretion.

5. Transfer Taxes

If the Debentures are to be issued to other than the registered holder of the tendered Common Stock or if the certificates are tendered by other than the registered holder, any necessary stock transfer tax stamps or funds to buy such stamps must accompany the Letter of Transmittal. If such stamps or funds do not accompany the Letter of Transmittal, the Company reserves the right to deduct the applicable transfer tax from the cash payment. Other than the foregoing, all necessary transfer taxes will be paid by the Company, and no transfer tax stamps need be affixed to the tendered certificates.

6. General Matters

The Company reserves full discretion to determine whether the documentation with respect to tendered shares is complete and generally to determine all questions as to tenders, including the date and hour of receipt of a tender, the propriety of execution of any document and other questions as to the eligibility or acceptability of any tender. The Company reserves the right to reject any tender not in proper form or to waive any irregularities or conditions, and the Company's interpretation of the terms and conditions of the Exchange Offer and of this Letter of Transmittal and these instructions will be final. All improperly tendered shares will be returned, unless irregularities are waived, without cost to the tendering stockholder.

EXHIBIT 6

Wells, Rich, Greene, Inc. ("WRG") Press Release
Issued September 4, 1974

Wells, Rich, Greene, Inc. / 767 Fifth Avenue / New York, N. Y. 10022 / Plaza 8-4300

PRESS RELEASE ISSUED SEPTEMBER 4, 1974

NEW YORK, N. Y., Sept. 4 -- The board of directors of Wells, Rich, Greene, Inc., has approved an exchange offer to common shareholders of the corporation, whereby Wells, Rich, Greene will accept up to 1,405,008 shares of its common stock for cash and subordinated debentures, it was announced today by Chairman, Mary Wells Lawrence.

Under the offer, each common share would be exchanged for $3 in cash and $8 principal amount of 10-year subordinated debentures to be issued by the corporation, bearing an interest rate of 10 per cent per annum. The debentures will have a combined purchase fund and sinking fund requiring Wells, Rich, Greene to spend in cash each year over the life of the debentures 10 per cent of the initial principal amount of the issue.

Mrs. Lawrence said the offer will be made as soon as certain necessary formal steps have been taken, including registration of the debentures under the Securities Act of 1933. Mrs. Lawrence added that the members of the board of directors have agreed not to participate in the exchange offer.

The board of directors also declared a regular quarterly dividend of 17 cents a share on its common shares to shareholders of record September 30, 1974, payable October 11, 1974.

If the registration becomes effective prior to Sept. 30, 1974, shareholders of record on the effective date would be entitled to the dividend.

EXHIBIT 7

1973 WRG Annual Report

Wells, Rich, Greene, Inc.

Annual Report 1973

Wells, Rich, Greene, Inc., and subsidiaries including Gardner Advertising Company, Inc., and WRG/Dragoti, Ltd.

Clients

Anheuser-Busch, Inc.
Busch Bavarian Beer
St. Louis National Baseball Club, Inc.
Busch Gardens

Bic Pen Corporation
Banana Fiber Tip Pens
Banana Ink Crayons
Butane Lighter

Bonanza International, Inc.

Cessna Aircraft Company

Elanco Products Company
(Division of Eli Lilly & Co.)
Animal Products

Federal Land Banks

First Union Group, Inc.
First National Bank in St. Louis
First Union, Inc.
St. Louis Union Trust Co.

General Dynamics
Corporate
Stromberg Carlson Division

General Mills, Inc.
Hamburger Helper
Tuna Helper
Pizza Spins
Chipos
Crisp-I-Taters
Dipped Taters
Onyums
Cheddar Taters
Betcha Bacon
Curly Crisps
Bugles
Fashion Division
New Products

ITT Financial Services

Jack Daniel Distillery
Jack Daniels
Chequers Scotch

The May Company

Menley & James Laboratories, Ltd.
Love Cosmetics
New Products

Mercury Marine
(Division of Brunswick Corporation)
Mercury Outboards
MerCruiser Sterndrives
MerCruiser Inboards
Quicksilver Accessories
MerCruiser Jet
Corporate

Midas International Corporation

Midwest Marketing
(Weight Watchers Dairy Brands)
Skim Milk
Cottage Cheese
New Products

Miles Laboratories, Inc.
Alka-Seltzer
Alka-Seltzer Plus
New Products

National Multiple Sclerosis Society

New York State Drug Abuse Commission

Paine, Webber, Jackson & Curtis Incorporated

Philip Morris, Inc.
Benson & Hedges 100's
Multifilter
Philip Morris International
New Products

The Procter & Gamble Company
Gleem Toothpaste
Safeguard Deodorant Soap
Sure Anti-perspirant
Liquid Prell Shampoo

Ralston Purina Company
Chex Cereals
Freakies
Tender Vittles
Special Dinners
Dog Chow
Puppy Chow
Chuck Wagon
Chuck Wagon Puppy Dinner
Purina Feeds
New Products

Rexall Drug Company

Royal Crown Cola Company
Royal Crown Cola
Sugar Free RC
Diet Rite Cola
Nehi Flavors
New Products

Southwestern Bell
Yellow Pages
Corporate

Sun Oil Company
Sunoco Gasoline
Tires, Batteries & Accessories
Motor Oil
DX Gasoline

Trans World Airlines, Inc.
Domestic & International
Consumer Products Division

Union Electric Company

Velsicol Chemical Corporation
Agricultural Chemicals

Westinghouse Electric Corporation
Major Appliances

Wolverine Worldwide, Inc.
Hush Puppies

Financial Highlights

For the Year Ended October 31	1973	1972	1971	1970	1969
Gross Billings	$185,250.0	$114,932.0	$108,008.0	$91,589.0	$77,371.0
Commissions and Fees	27,773.7	17,231.0	16,193.0	13,732.0	11,599.8
Income before Taxes	7,005.6	6,105.5	6,054.2	4,146.3	2,856.1
Net Income	3,375.1	3,009.9	2,619.0	1,978.5	1,586.7
Net Income Per Share	$2.08	$1.90	$1.66	$1.25	$1.02
Net Income Fully Diluted	$2.04	$1.83	$1.63	$1.24	$1.02
Shares Outstanding	1,631,224	1,568,073	1,578,971	1,574,850	1,581,200
Profit Margin	12.2%	17.4%	16.2%	14.2%	13.7%
Net Income as % of Billings	1.8%	2.6%	2.4%	2.2%	2.1%
Net Working Capital	$7,503.1	$4,108.0	$3,088.0	$2,246.0	$1,981.0
Stockholders' Equity	15,467.1	12,009.7	10,052.9	8,307.7	6,399.8
Book Value Per Share	$9.48	$7.66	$6.37	$5.28	$4.05
Cash Dividends Per Share	$.65	$.60	$.60	–	–

MARY WELLS LAWRENCE
Chairman of the Board

Wells, Rich, Greene, Inc.

Annual Report, 1973

CHARLES MOSS
President

Dear Shareholder:

When Wells, Rich, Greene, Inc., was founded nearly eight years ago, its emphasis was on tackling those marketing problems that were beyond the realm of conventional selling and advertising techniques. Because clients brought us situations that were especially difficult, our approach to the business had to be tough and hard-nosed. We sought the best minds in the advertising industry and challenged them to create bold, but tasteful selling strategies and extraordinary advertising capable of solving clients' problems promptly.

In 1973, our business concept was put to its most severe test. Besides the traditional problems faced by our clients, there was, additionally, a new set of factors—stronger government controls, shortages of raw materials and the energy crisis.

For Wells, Rich, Greene's management the challenge was heightened by the fact that we were in the process of integrating the Gardner Advertising Company, Inc., into our operation. This subsidiary was acquired at the beginning of this fiscal year.

Salient fiscal developments.

No matter what perspective you use to review the fiscal year ended October 31, 1973—financial, operational or service to its clients—Wells, Rich, Greene, Inc., not only met the challenge, but concluded its most successful year to date. Such an accomplishment augurs well for the future of The Company.

It should be noted that fiscal 1973's results were achieved even after amortization of 50 percent of the accumulated costs of the movie *Dirty Little Billy*. We expect to recover accumulated costs as *Dirty Little Billy* plays in more and more theatres in the United States and around the world.

Among the more salient developments of the past fiscal year were the following:

- Gross billings of WRG, including those of Gardner, rose to a record $185,250,000, placing The Company well within the twenty largest agencies in the world.
- Net income rose to a record $3,375,077 which was equivalent to $2.08 a share, after a charge of 23 cents a share resulting from the amortization of 50 percent of the accumulated costs of *Dirty Little Billy*.
- The Board of Directors voted a special three cents a share year-end cash dividend, and increased the last quarter's regular cash dividend to 17 cents a share from 15 cents. This brought the 1973 dividend payout to 65 cents compared with 60 cents in 1972. The dividend for the first quarter of 1974 was also 17 cents a share.
- The agency received a number of very important new product assignments from its clients including SURE antiperspirant and LIQUID PRELL shampoo from Procter & Gamble, MULTIFILTER cigarettes from Philip Morris, SUNOCO gasoline and auto products from the Sun Oil Company and from General Mills several new products including TUNA HELPER, CHIPOS and HAMBURGER HELPER.
- Finally, we were able to successfully take the excellent base of business that comprised the Gardner operations and overlay some of WRG's philosophies in such a way that we can look forward to our Gardner subsidiary becoming an important profit contributor in years ahead.

A note about statistics.

Comparative financial statistics for the year just ended, as well as for the previous four years, appear on the opening page.

In reviewing these statistics, please note that for this year the pertinent financial statistics of Gardner are consolidated with those of WRG. The WRG statistics for fiscal 1972 and earlier do not include those of Gardner.

From a financial point of view, fiscal 1973 was a year of adjustment for Gardner. We expect that in the current fiscal year Gardner's profit contribution will be an increasingly important factor in our overall results.

As we have stated before, since our income is derived primarily from commissions, we are relatively insulated from the most serious inflationary cost increases. This is not to say that we have not felt cost pressures, we have. However, for the most part, our increases in billings and earnings represent real growth.

Solving problems is our business.

At this point, it might be most helpful to review the nature of the business that has made Wells, Rich, Greene, Inc., one of the fastest growing companies in American business.

Today, just as it was eight years ago, the emphasis at Wells, Rich, Greene is on solving those really tough marketing problems. It is one of the prime reasons why new clients come to the agency and why existing clients have little hesitancy bringing us new problem situations.

Traditionally, these problems involve one of three situations: first, there is the product that once enjoyed considerable market prominence, but now is experiencing a declining market share; next, there is the product that has been regional, but now the client's aim is national distribution; finally, there is the challenge of new product introduction.

Last year we added a fourth situation to our list—the problems of the marketing environment affected by government controls and/or product shortages.

While each type of problem has certain characteristics peculiar to it, there are some fundamental approaches in dealing with all our client problems.

For example, basic to most of our work is the preparation of a complete marketing plan which includes not only outstanding creativity in advertising, but also contributions in product development, packaging, promotion, merchandising, distribution and sales.

To solve any problem well these days, an agency must be a good listener. At Wells, Rich, Greene we are hungry for facts and before we create a marketing and advertising plan we listen carefully to what our researchers and our clients have found, and to whatever we can garner from many outside sources. Some of our most intensive listening is done after a program is implemented. At any given moment we need to know exactly where our problem and its solution stand.

The Gardner Advertising Company.

The acquisition of Gardner substantially increases WRG's "problem solving" capability as well as the

scope of the market it can effectively service.

With its St. Louis location, Gardner is strategically situated in the heart of one of the nation's major concentrations of package goods companies. Gardner offers the same kind of full-service capabilities that WRG offers in New York.

Gardner is also one of the pioneers of the module concept of advertising. The ability to offer clients highly specialized services to deal with highly specialized problems makes Wells, Rich, Greene, Inc., a truly full-service agency.

For example, Gardner's *Westgate Research, Inc.*, is an independent, full-service consumer research company built around a staff of experienced professional researchers and an interviewing/clerical staff. In addition to providing a wide variety of general research services, Westgate has developed two specialized services that are unprecedented in the research industry—the ON-AIR LAB, and LAB 650.

ON-AIR LAB can test television commercials in rough form in a way that can predict the performance results of the finished commercial with a high degree of accuracy—and at a substantial time and cost savings to the client. LAB 650 offers three elements which provide advanced capability for central location quantitative research: an outstanding interviewing facility with a complete complement of the latest audio-visual equipment; a scientific approach to respondent recruitment using a computerized data bank; and the experienced analysis capabilities of Westgate's staff. Westgate has also developed advances in custom-designed marketing and communications research. The company has developed an improved, scientific approach to focus group interview sampling, including data handling, field control and analysis.

Advanswers, an independent media operation specializing in spot TV programming and forecasting, has brought a new dimension to advertising exposure. Its R&D programs have been aimed at designing the right exposure patterns for an advertiser as well as producing these exposure patterns for the lowest possible media cost. Advanswers has also developed a computerized system which accurately forecasts the minimum rates for spot television time purchases on a market-by-market basis for two years into the future.

Social problems are also our business.

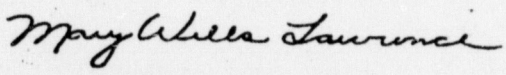
The tough marketing problems that Wells, Rich, Greene has been called upon to help solve over the years have not been limited to just business. From the very onset, WRG has taken an active role in creating communications programs for many important social problems.

"Don't Get Caught Holding the Bag" was the theme we used to broadcast New York State's new drug abuse control program.

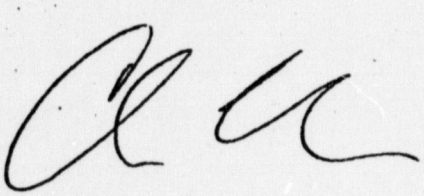
We are working on behalf of the Multiple Sclerosis Society to create a better understanding of the dreaded affliction and to help stimulate financial contributions needed for MS research.

We are also actively involved in a fund-raising program for Spelman College, an all-black women's college in Atlanta, Georgia. And as part of WRG's desire to acquaint minority groups with the opportunities available in the advertising profession, we employed three students from Spelman in an eight-week summer training program.

Looking ahead, we believe that the problems faced by business and society will become tougher and more complex. We believe that these challenges will present opportunities for Wells, Rich, Greene's growth and achievement unlike any we have seen.



Mary Wells Lawrence
Chairman of the Board



Charles Moss
President

Wells, Rich, Greene, Inc.
Statement of Consolidated Income
For the two years ended October 31, 1973

	1973	1972
Gross billings (Note 1)	$185,250,000	$114,932,000
Revenues		
Commissions and service fees (Note 1)	$ 27,773,675	$ 17,231,204
Other income (Notes 1, 3 and 5)	701,069	157,287
Total revenues	28,474,744	17,388,491
Expenses		
Salaries and employee benefits	11,755,331	6,018,857
Other office and general expense	7,454,967	4,374,540
Amortization of motion picture, scripts, etc. (Note 5)	988,363	
Amortization of deferred costs of advertising and product development services (Note 4)	647,549	525,755
Depreciation and amortization of property (Note 1)	622,904	363,882
Total expenses	21,469,114	11,283,034
Income before income taxes	7,005,630	6,105,457
Income taxes (Notes 1 and 9)	3,630,553	3,095,594
Net income	$ 3,375,077	$ 3,009,863
Net income per share of common stock (Note 1)	$2.08	$1.90
Net income per share of common stock—assuming full dilution (Note 1)	$2.04	$1.83

See Notes to Consolidated Financial Statements.

Wells, Rich, Greene, Inc.
Consolidated Balance Sheet
October 31, 1973 and 1972

Assets	1973	1972
Current assets		
Cash	$ 5,013,375	$ 3,068,509
Marketable securities, at cost (quoted market value, 1973 – $1,000,000; 1972 – $115,000)	1,000,000	100,755
Accounts receivable	17,253,363	10,297,632
Billable production expenditures (with commissions accrued)	2,283,527	1,324,814
Prepaid expenses	536,852	170,371
Total current assets	26,087,117	14,962,081
Property – at cost (Note 1)		
Leasehold costs	4,192,989	3,265,165
Furniture and equipment	3,031,130	1,496,825
Total	7,224,119	4,761,990
Less accumulated depreciation and amortization	2,151,295	1,025,921
Property – net	5,072,824	3,736,069
Investment in properties (principally oil and gas) (Notes 1 and 3)	1,191,143	1,378,723
Deferred charges and other assets		
Deferred costs of advertising and product development services (Notes 1 and 4)	2,392,984	1,717,374
Deferred compensation expense (Notes 1 and 7)	82,120	226,813
Motion picture joint venture, scripts, etc. (Notes 1 and 5)	1,391,873	2,050,541
Other assets	164,653	212,260
Total deferred charges and other assets	4,031,630	4,206,988
Total assets	$36,382,714	$24,283,861

Liabilities and stockholders' equity	1973	1972
Current liabilities		
Accounts payable	$17,694,135	$10,561,770
Accrued taxes		26,847
Other accrued expenses (Note 8)	425,242	265,387
Installment notes payable (Note 6)	138,341	
Dividend payable	326,245	
Total current liabilities	18,583,963	10,854,004
Installment notes payable (Note 6)	407,483	
Deferred income taxes (Notes 1 and 9)	1,548,939	1,160,414
Deferred compensation (Note 11)	375,274	259,757
Commitments and contingent liabilities (Note 11)		
Stockholders' equity (Notes 2 and 7)		
Common stock $1 par value—authorized, 5,000,000 shares; issued—1973, 1,688,561 shares; 1972, 1,605,628 shares	1,688,561	1,605,628
Capital in excess of par value	3,848,025	2,190,152
Retained earnings	10,943,785	8,863,939
	16,480,371	12,659,719
Less cost of shares of common stock in treasury—1973, 57,337 shares; 1972, 37,555 shares	(1,013,316)	(650,033)
Total stockholders' equity	15,467,055	12,009,686
Total liabilities and stockholders' equity	$36,382,714	$24,283,861

See Notes to Consolidated Financial Statements.

Wells, Rich, Greene, Inc.

Statement of Changes in Consolidated Financial Position

For the Two Years Ended October 31, 1973

Funds Provided		1973	1972
From Operations:			
Net income		$3,375,077	$3,009,863
Depreciation and amortization of property		622,904	363,882
Amortization of deferred compensation expense		144,693	155,535
Amortization of deferred costs of advertising and product development services		647,549	525,755
Amortization of investment in oil and gas properties		92,340	77,961
Amortization of motion picture, scripts, etc.		988,363	
Increase in deferred income taxes and deferred compensation		377,161	232,694
Total from operations		6,248,087	4,365,690
Transactions relating to the acquisition of Gardner Advertising Company, Inc. which did not affect working capital			
Issuance of common stock	$1,694,787		
Costs of acquisition	100,213		
Add (deduct) non-current (assets) liabilities acquired			
Deferred costs of advertising	(61,865)		
Property—net	(1,117,162)		
Other assets	(62,037)		
Deferred income taxes	50,000		
Deferred compensation	96,880		
Installment notes payable, non-current	546,406	1,247,222	
Sale of common stock		52,999	229,781
Decrease in investment in properties		95,240	
Other		91,350	52,710
Total		$7,734,898	$4,648,181
Funds Applied			
Cash dividends		$1,295,231	$ 715,205
Expenditures for property		863,132	813,488
Deferred costs of advertising and product development services		1,323,159	919,323
Investment in properties			20,941
Motion picture joint venture, scripts, etc.		329,695	574,108
Common stock purchased		370,263	567,573
Payment of deferred compensation		20,000	17,500
Reduction of installment notes payable		138,341	
Increase in working capital (Note 10)		3,395,077	1,020,043
Total		$7,734,898	$4,648,181

See Notes to Consolidated Financial Statements.

Wells, Rich, Greene, Inc.
Statement of Changes in Stockholders' Equity
For the two years ended October 31, 1973

	COMMON STOCK	COMMON STOCK IN TREASURY	CAPITAL IN EXCESS OF PAR VALUE	RETAINED EARNINGS
Balance, October 31, 1971	$1,586,621	$ (90,510)	$1,987,428	$ 6,569,281
Net income				3,009,863
Cash dividend ($.45 per share)				(715,205)
Common stock sold under incentive stock purchase plan – 400 shares (Note 7)		8,050	1,450	
Stock options exercised (Note 7)	19,007		201,274	
Common stock purchased for treasury – 30,305 shares		(567,573)		
Balance, October 31, 1972	1,605,628	(650,033)	2,190,152	8,863,939
Net income				3,375,077
Cash dividend ($.80 per share)				(1,295,231)
Common stock sold under incentive stock purchase plan – 400 shares (Note 7)		6,980	(2,180)	
Stock options exercised (Note 7)	5,457		42,742	
Common stock purchased for treasury – 20,182 shares (Note 2)		(370,263)		
Common stock issued in connection with acquisition of Gardner Advertising Company, Inc. (Note 2)	77,476		1,617,311	
Balance, October 31, 1973	$1,688,561	$(1,013,316)	$3,848,025	$10,943,785

See Notes to Consolidated Financial Statements.

Notes to Consolidated Financial Statements

1. Summary of significant accounting policies

PRINCIPLES OF CONSOLIDATION

The accompanying consolidated financial statements include the accounts of the Company and all subsidiaries. Foreign operations are not significant.

DEFERRAL AND AMORTIZATION OF COSTS OF ADVERTISING AND PRODUCT DEVELOPMENT SERVICES

During the period immediately following the Company's appointment as advertising agency by a new client and before media billing commences (generally three months), the Company devotes substantial time and expense to a study of the client's products, markets, objectives, and media plans and to the creation of an advertising strategy including an initial campaign. Apart from fees received to reimburse the Company for a portion of these expenses, no revenue is expected to be obtained until the start of media billing. The Company, therefore, follows the policy of deferring these initial period costs plus related overhead, less fees, if any, applicable thereto and amortizing them on the straight-line method over a thirty-six month period beginning with the month of initial media billing, with a small portion of such net costs, estimated as attributable to the initial campaign, being amortized in a like manner over an eighteen-month period.

Similarly, when a client requests services to develop marketing and other promotion ideas for new products, the costs of which are recoverable only against billing as such products are advertised, the Company defers the net costs and overhead relating to these development services and amortizes them on the straight-line method over a thirty-six month period beginning when media billing commences. Any unamortized deferred costs attributable to clients or clients' products for which the Company's advertising services are terminated are written off against commissions received during the final months of media billing (generally three months) during which period expenses attributable to the client are customarily reduced. Furthermore, if the level of media billings for a client or product subsequently declines to such an extent that all or a portion of the unamortized deferred costs applicable thereto cannot reasonably be expected to be recovered from related revenues from commissions and service fees, such portion of the unamortized deferred costs is charged to operations during the fiscal year in which such decline in media billings occurs.

ACCOUNTING FOR REVENUES

Revenues from "Commissions and service fees" represent commissions earned from advertising placed

with various forms of media, production commissions billed or accrued on expenditures incurred for clients, and fees derived from miscellaneous services. In accordance with prevailing industry practice, "Gross Billings" are included for statistical purposes and are calculated by multiplying revenues from "Commissions and service fees" by 6.67, since these revenues generally amount to 15% of such billings.

The Company generally recognizes revenue on broadcast advertising based on broadcast date, on magazine advertising based on magazine closing date and on billable production costs based on date cost is incurred.

ACCOUNTING FOR INVESTMENTS IN OIL AND GAS PROPERTIES

All expenditures (intangible drilling and development costs, lease costs and lease and well equipment) relating to the purchase of the Company's undivided interests in various oil and gas properties have been capitalized and are being amortized on an overall unit-of-production basis.

ACCOUNTING FOR MOTION PICTURE JOINT VENTURE, SCRIPTS, ETC.

The Company has deferred certain costs, primarily production advances, salaries and general overhead related to the motion picture joint venture mentioned in Note 5 and certain other scripts and productions in process. Such costs are amortized against the revenue expected to be realized from the distribution and exhibition of the related productions.

DEPRECIATION AND AMORTIZATION POLICY

Depreciation is provided on furniture and equipment (except paintings and art objects, which are not depreciated) principally on the straight-line method over the estimated useful lives of the assets. Leasehold costs are amortized on the straight-line method over the shorter of the terms of the related leases or the estimated useful lives of the assets.

ACCOUNTING FOR STOCK PURCHASE PLANS

Upon the exercise of options under the Company's Stock Option Plan (see Note 7), the par value of the shares issued is credited to the common stock account and the excess of the option price over the par value is credited to capital in excess of par value.

The difference between the subscription price and the fair value on the date of grant of shares made available to employees under the Company's Incentive Stock Purchase Plan (see Note 7) is charged to deferred compensation expense and is amortized over a five-year period as restrictions lapse on the applicable stock.

INCOME TAXES

For income tax purposes, depreciation and amortization of property are computed on an accelerated method, and deferred costs of advertising and product development services are deducted during the year incurred.

Intangible drilling and development costs for both productive and non-productive oil and gas wells, which are capitalized for financial accounting purposes, are deducted for income tax purposes during the year incurred.

Investment tax credits are recorded as reductions of the current provision for Federal income taxes as eligible property is acquired.

NET INCOME PER SHARE OF COMMON STOCK

Net income per share of common stock is computed by dividing net income by the weighted average number of shares outstanding. The effect of stock options and incentive stock purchase arrangements are not included in this computation because they are either not dilutive or their effect insignificant.

Net income per share of common stock—assuming full dilution gives effect to the assumed exercise of dilutive stock options.

2. Acquisition of Gardner Advertising Company, Inc.

In December 1972, the Company acquired through a wholly-owned subsidiary all of the assets and assumed certain of the liabilities of Gardner Advertising Company, Inc., in exchange for 77,476 shares of the Company's common stock. The transaction was accounted for as a purchase since, in connection with the acquisition, the Company acquired 50,000 shares of common stock for the treasury (20,100 in the year ended October 31, 1973). The fair value of the Company's shares exchanged for the capital stock of Gardner plus the direct costs attributed to the acquisition (totaling $1,795,000) was less than Gardner's net tangible assets at date of acquisition by $263,000 which amount was applied against the depreciable assets and will result in a reduction of depreciation charges over the remaining lives of the related properties. The Statement of Consolidated Income includes the results of operations of Gardner from the effective date of acquisition, November 1, 1972. The following is a pro forma summary of the combined consolidated operations of the Company and Gardner for the year ended October 31, 1972 (after conforming Gardner's accounting policies to those followed by the Company):

Gross billings	$173,017,000
Revenues from commissions and service fees	$ 25,956,563
Net income	$ 3,172,678
Net income per share of common stock	$ 1.96
Net income per share of common stock—assuming full dilution	$ 1.89

3. Investment in oil and gas properties

Other income includes $7,133 in 1973 and $68,000 in 1972 of income from oil and gas production on the properties after deductions of $107,000 and $94,000, respectively, of amortization and other costs relating thereto. Based on the reports received from the companies managing the investments, the estimated recoverable reserves, realizable over a period of years, on the properties held on October 31, 1973 and 1972 had a current gross sales value of $2,952,000 and $3,320,000, respectively.

4. Deferred costs of advertising and product development services

At October 31, 1973 and 1972, unamortized balances of deferred costs of advertising and product development services were as follows:

	October 31	
	1973	1972
Advertising service costs—new clients	$ 541,057	$ 377,729
Development service costs—new products (principally relating to products being advertised or with agreed initial media billing dates)	1,851,927	1,339,645
Total	$2,392,984	$1,717,374

Deferred costs at October 31, 1973 are expected to be amortized during the 1974, 1975, 1976 and 1977 fiscal years in the amounts of $815,468, $844,487, $626,346 and $106,683, respectively.

5. Motion picture joint venture, scripts, etc.

Motion picture joint venture, scripts, etc., consist primarily of the accumulated costs incurred by the

Company's 80%-owned subsidiary relating to various motion pictures and other productions. The subsidiary's major project, a motion picture produced by a joint venture in which the subsidiary has a 50% interest, was completed during fiscal 1972 and released for exhibition in late October 1972.

During fiscal 1973, the motion picture was in distribution and exhibition in certain domestic market areas. The subsidiary amortized 50% of its costs accumulated in connection with the motion picture based on the extent of the domestic theatre exhibition to October 31, 1973. Such amortization has been included in Expenses in the Statement of Consolidated Income for fiscal 1973. The remaining accumulated costs relating to the motion picture ($788,000 at October 31, 1973) are included in the Consolidated Balance Sheet.

Although management is of the opinion that all deferred costs will be recovered from revenues to be derived from the related productions, including the exhibition of the motion picture in the remaining domestic theatre markets, foreign markets, television, etc., the ultimate future realization of such costs is not presently determinable.

6. Installment Notes Payable

The Company's subsidiary, Gardner Advertising Company, Inc., has the following installment notes payable as of October 31, 1973:

	Current	Long Term
Note payable quarterly through June 30, 1976, 1% above the prime rate	$ 80,000	$140,000
10% note payable monthly through May 1, 1976	11,600	267,483
7.86% note payable monthly through August 8, 1974, collateralized by certain equipment	46,741	
Total	$138,341	$407,483

7. Stock Purchase Plans

a.) Stock Option Plan—The Company's Stock Option Plan provides for the granting to key employees of qualified options, non-qualified options, or tandem options for the purchase of the Company's common stock. The Company has not granted any tandem options since August 1972. Qualified options and non-qualified options may be granted at not less than 100% and 85%, respectively, of the fair market value of the common stock on the date of grant and must be exercised within five years and ten years, respectively, from such date. Tandem options are exercised as either qualified or non-qualified options at the option of the employee. No options granted under the Plan may be exercised for a period of six months from the date of grant. Also, payment for shares purchased upon the exercise of options may, at the discretion of the Compensation Committee, be in installments, provided that the full option price must be paid by the end of ten years from the date of exercise. All options granted under the Plan have been at 100% of the fair market value of the common stock at date of grant.

On June 13, 1973, certain optionees voluntarily tendered to the Board of Directors their agreements, covering 92,367 shares of common stock, in order to accelerate the expiration dates of their options under the Plan. Such shares then became available for future grants.

The changes in the number of shares under option during 1973 and 1972 were as follows:

	No. of Shares Under Option	Aggregate Option Price
Outstanding, October 31, 1971	330,952	$6,176,437
Granted (at $22.75 to $23.50 per share)	31,000	706,937
Cancelled (at $6.00 to $20.50 per share)	(17,302)	(320,598)
Exercised (at $6.00 to $20.50 per share)	(19,007)	(220,281)
Outstanding, October 31, 1972 (at $6.00 to $23.50 per share)	325,643	6,342,495
*Granted (at $10.625 to $11.125 per share)	105,552	1,237,534
Cancelled (at $8.375 to $23.50 per share)	(101,304)	(1,903,620)
Exercised (at $6.00 to $14.00 per share)	(5,457)	(48,199)
Outstanding, October 31, 1973 ($6.00 to $22.75 per share)	324,434	$5,628,210

*Certain options granted are subject to shareholder approval.

At October 31, 1973 and 1972, 13,831 and 18,079 common shares, respectively, were available for grant of options under the Plan. Also, at October 31, 1973 and 1972, options as to 212,135 and 228,660 shares, respectively, were exercisable at an option price of $6.00 to $22.75 per share and $6.00 to $23.50 per share, respectively.

b.) Incentive Stock Purchase Plan—Under the Company's Incentive Stock Purchase Plan, key employees of the Company and its subsidiaries could subscribe to a total of 85,000 shares of common stock. The purchase price of the shares made available to an employee under the Plan was equal to the greater of either (i) 40% of the fair market value of the shares of common stock on the business day immediately preceding the date an employee was given the right to purchase such shares, or (ii) the consolidated book value of a share of common stock as of the end of the fiscal year preceding such date. The Committee which administers the Plan is authorized to impose restrictions as to the disposition of the shares purchased by employees under this Plan, which restrictions lapse in annual installments.

During each of the years ended October 31, 1973 and 1972, the Company granted employees the rights to purchase 400 shares at subscription prices of $7.66 and $9.50, respectively. During the year ended October 31, 1972, the Company repurchased 400 shares which had previously been issued under the Plan. At October 31, 1972, 400 shares were available for grant. The Plan expired in August 1973 and no more shares are available for grant under the Plan.

8. Executive incentive plan

The Plan provides for the crediting of 10% of the net earnings from operations of the Company and its consolidated subsidiaries before taxes (as defined) to an annual fund which is available in whole or in part for awards to key employees. The Plan calls for an annual award to the Company's Chief Executive Officer equal to 25% of the annual fund and an award to any employee who has an employment agreement, approved by the Board of Directors, that provides for such an award.

In accordance with the terms of the Plan, the Officers' Deferred Incentive Program provides for the crediting of a minimum of 15% of the annual fund under the Plan as a program fund which is available for awards to officers of the Company except officers at the level of Senior Vice President or higher. The Committee administering the Plan determines which employees shall receive grants of awards and the amounts thereof. Awards granted pursuant to the Program vest either (a) over a period of five years measured from the date the employee initially became an officer of the Company or (b) upon his death or disability. Awards or portions thereof which are forfeited as a result of termination of employment prior to vesting will be allocated pro rata to other employees who

received awards in the same year the forfeited award was granted. Payment of the vested portion of such awards will be made annually, in equal installments, over a period of five years commencing on the January 1 next following the date of termination of employment. Subject to the discretion of the Compensation Committee, the payment of the vested portion of an award may be accelerated to a date no earlier than the date of termination of employment.

Contributions to the Plan for executive incentive compensation amounted to $418,000 in 1973 and $260,000 in 1972.

9. Income taxes

The components of income tax expense are as follows:

Taxes Currently Payable	Federal	State and Other
1973	$2,475,697	$821,797
1972	2,372,020	579,696
Deferred Income Taxes		
1973	$ 304,023	$ 34,502
1972	128,444	52,525
Investment Tax Credit		
1973	$ 5,466	
1972	37,091	

Deferred tax expense results principally from timing differences in the expensing of the costs of advertising and product development services for income tax and financial statement purposes.

10. Changes in working capital

	1973		1972
	Acquisition of Gardner Advertising Company, Inc. Working Capital	Other Changes	
Current Assets – Increase (Decrease)			
Cash	$ 196,548	$1,748,318	$1,056,698
Marketable securities		899,245	
Accounts receivable	6,924,529	31,202	(3,277,320)
Billable production expenditures	743,454	215,259	(2,303)
Prepaid expenses, etc.	110,141	256,340	77,064
Increase (Decrease) in current assets	7,974,672	3,150,364	(2,145,861)
Current Liabilities – Increase (Decrease)			
Notes payable to bank	800,000	(800,000)	
Current portion of installment notes payable	133,303	5,038	
Accounts payable	5,455,121	1,677,244	(2,198,256)
Accrued taxes	163,571	(190,418)	(788,755)
Other accrued expenses	175,455	(15,600)	57,953
Dividend payable		326,245	(236,846)
Increase (Decrease) in current liabilities	6,727,450	1,002,509	(3,165,904)
Total increases	$1,247,222	$2,147,855	$1,020,043

11. Commitments and contingent liabilities

The Company has entered into employment agreements with seven key employees (including the Chief Executive Officer) providing for basic aggregate salaries of $748,000 per annum. Under six of these contracts, the Chief Executive Officer and five other employees agree to act as consultants to the Company for specified periods following their active employment, for which services they will receive aggregate consulting fees of $255,000 per annum for the first two years and $232,500 per annum thereafter. The agreement with the Chief Executive Officer is for twelve years commencing May 1, 1969 and the specified consulting term of her employment contract is an additional twelve-year period following her active employment. See Note 8 for Executive Incentive Plan award.

Under the aforementioned employment contracts the Company will also pay the employees' designated beneficiaries an aggregate of $2,958,000 in the event of the employees' deaths. The Company is insured for its liabilities under these contracts. The Company has agreed to pay four of its employees deferred compensation aggregating $825,000 at specified dates stated in their respective contracts. Cumulative deferred compensation amounted to approximately $375,000 (including amounts applicable to three retired employees of a subsidiary) at October 31, 1973 and $260,000 at October 31, 1972.

The Company and its subsidiaries lease their present office facilities under long-term leases. The aggregate annual rental payments under such leases were $1,470,000 and $811,000, for the years ended October 31, 1973 and 1972, respectively.

Future minimum rental commitments under noncancellable leases are as follows:

Year Ending October 31	
1974	$1,707,000
1975	1,670,000
1976	1,665,000
1977	1,665,000
1978	1,665,000
For the Five Year Period Ending October 31	
1983	$8,442,000
1988	7,348,000

Auditors' Report

To the Stockholders and Board of Directors
of Wells, Rich, Greene, Inc.:

We have examined the consolidated balance sheet of Wells, Rich, Greene, Inc. and subsidiary companies as of October 31, 1973 and 1972 and the related statements of consolidated income, changes in stockholders' equity, and changes in consolidated financial position for the years then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Included in the consolidated balance sheet are deferred costs relating to a motion picture joint venture, scripts and other creative productions. Although management is of the opinion that all deferred costs will be recovered from revenues expected to be derived from the related productions, the ultimate future realization of such costs is not presently determinable.

In our opinion, except for the effects, if any, on the financial statements of the matter discussed in the preceding paragraph, the accompanying financial statements present fairly the financial position of the companies at October 31, 1973 and 1972 and the results of their operations and the changes in their financial position for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

Haskins & Sells

New York, New York
January 7, 1974

Wells, Rich, Greene, Inc.

Directors

MARY WELLS LAWRENCE
Chairman of the Board
JOHN W. BURNS
FRANK G. COLNAR
STANLEY O'DRISCOLL
ARNOLD M. GRANT
Attorney
STEWART GREENE
FREDERICK R. JACOBS
WARREN J. KRATKY
President of Gardner Advertising Company, Incorporated, a wholly owned subsidiary of the Company
CHARLES MOSS
RICHARD T. O'REILLY
TROY V. POST
Investment Banker
EMILIO PUCCI
Designer
MARTIN STERN

Principal Officers

MARY WELLS LAWRENCE
Chairman of the Board and Chief Executive Officer
CHARLES MOSS
President
RICHARD T. O'REILLY
Senior Vice President
JOHN W. BURNS
Senior Vice President, Director of Account Services
FRANK G. COLNAR
Senior Vice President, Financial Planning
ROGER K. DAVIS
Senior Vice President and Administration
Secretary and Treasurer
HUBART McHUGH III
Senior Vice President, Communications
MARTIN STERN
Senior Vice President, Sales Direction

Gardner Advertising Company, Incorporated

A wholly owned subsidiary of Wells, Rich, Greene, Inc.

Principal Officers

WARREN J. KRATKY
President
ARTHUR GARDNER
Executive Vice President, Managing Director
ROBERT M. NEUFELD
Executive Vice President, Creative Director

COUNSEL
Hughes Hubbard & Reed
TRANSFER AGENT
Chase Manhattan Bank
GENERAL OFFICE ADDRESS
767 Fifth Avenue
New York, N.Y. 10022
(212) 758-4300

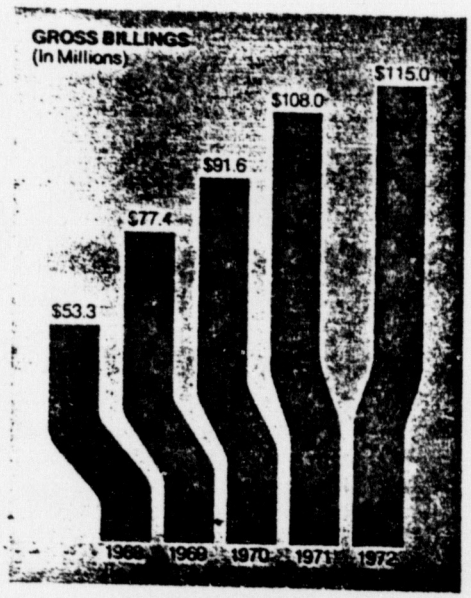
EXHIBIT 8

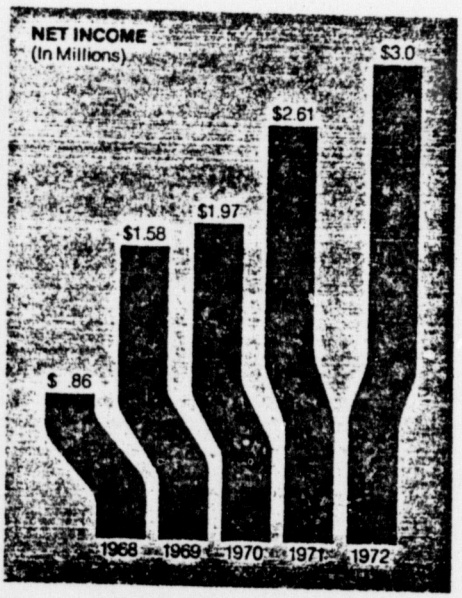
1972 WRG Annual Report

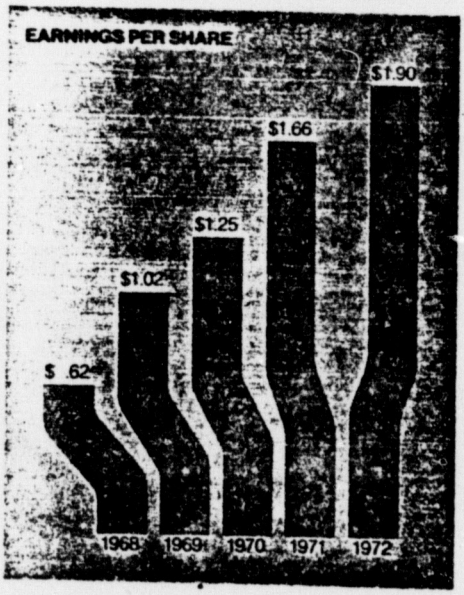
Wells, Rich, Greene, Inc 1972

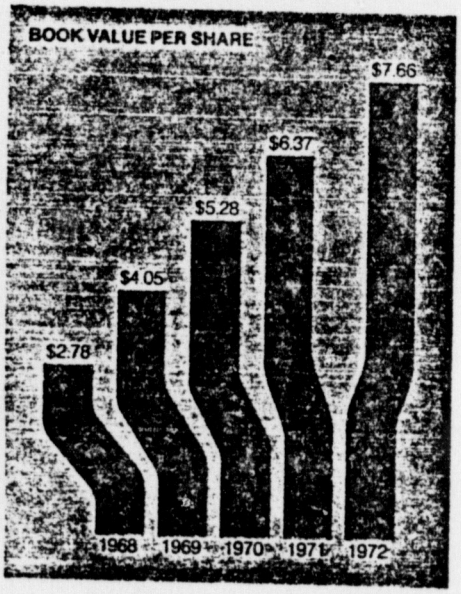
Financial Highlights

For the Year Ended October 31	1972	1971	1970	1969	1968
Gross Billings	$114,932.0	$108,008.0	$91,589.0	$77,371.0	$53,299.0
Commissions and Fees	17,231.0	16,193.0	13,732.0	11,599.8	7,990.9
Income before Taxes	6,105.5	6,054.2	4,146.3	2,856.1	2,050.9
Net Income	3,009.9	2,619.0	1,978.5	1,586.7	861.0
Net Income Per Share	$1.90	$1.66	$1.25	$1.02	$ .62
Shares Outstanding	1,568,073	1,578,971	1,574,850	1,581,200	1,532,700
Profit Margin	17.4%	16.2%	14.2%	13.7%	10.8%
Net Income as % of Billings	2.6%	2.4%	2.2%	2.1%	1.6%
Net Working Capital	$4,108.0	$3,088.0	$2,246.0	$1,981.0	$2,250.0
Stockholders' Equity	12,009.7	10,052.9	8,307.7	6,399.8	4,261.1
Book Value Per Share	$7.66	$6.37	$5.28	$4.05	$2.78
Cash Dividends Per Share	$.45	$.60	—	—	—









Dear Shareholder:

During the fiscal year ended October 31,1972, Wells, Rich, Greene, Inc., achieved the financial and creative goals determined a year ago, and continued to outperform the advertising agency industry by virtually all of the important financial yardsticks.

The table on page one summarizes our statistical results for the past five years. The list below highlights the principal financial accomplishments of fiscal 1972.

–RECORD BILLINGS– For the fifth consecutive year, WRG achieved a new high in media billings. In fiscal 1972, gross billings amounted to $115 million. By contrast, this compares with $5.3 million at the end of 1966– our first year in business. This growth, we are pleased to say, is unparalleled and unprecedented in the advertising industry.

–RECORD NET INCOME– For the year, net income rose 15 percent, while earnings per share advanced to $1.90, from $1.66 last year– an increase of 14.5 percent.

–CONTINUED PROFIT MARGIN IMPROVEMENT– Furthering a trend begun five years ago, profit margins improved to 17 percent of revenues, from 16.2 percent last year. This compared with about 7 percent for a composite of all publicly-held agencies.

–HIGHEST RETURN ON EQUITY– Perhaps one of the most important yardsticks used by stockholders to measure the success of their company is return on investment which, in fiscal 1972, was 27.3 percent. The composite average for the publicly-held agencies is less than 20 percent.

Underlying these achievements in increasing the growth and profitability of Wells, Rich, Greene is an uncompromising philosophy of excellence.

We have been successful because of our highly disciplined, as well as creative, approach to our business– as embodied in the major decisions . and policies that guided the company during fiscal 1972.

WRG's First Acquisition

During fiscal 1972, WRG was presented with an opportunity to acquire the Gardner Advertising Company, Inc., of St. Louis, a fine midwest agency with an outstanding account roster. Gardner, which was privately held prior to its purchase by Wells, Rich, Greene, is both a full service agency and a "modular" operation. It provides clients with a complete array of agency services either as a package or individually.

Though Gardner did not become a wholly-owned subsidiary of WRG until after the close of fiscal 1972, preparations for the acquisition were an important consideration during the year. We exercised considerable care in determining the very real benefits of this first acquisition, as well as in structuring the purchase agreement to be both equitable and in the best long-term interests of all our shareholders.

Under the terms of the acquisition agreement, we exchanged 77,476 of our shares for the business and net assets of Gardner. We had purchased 50,000 shares of our stock in the open market for this purpose. The shares used in the exchange were valued at about $1,700,000. Gardner's book value at October 31, 1972, was about $1,700,000, and their net earnings were about $170,000,

As you can see from these figures, acquisition costs were both reasonable and realistic.

From a business point of view, Gardner's list of major accounts offered WRG an immediate, on-going relationship with a number of important corporations and a golden opportunity for growth. For example, just two weeks after the conclusion of the acquisition, the Sun Oil Company announced a decision to consolidate its total marketing and advertising effort for both DX, a Gardner account, and Sunoco brands of gasoline and motor products with our company. Under this arrangement Gardner will continue to handle the DX account while WRG will be responsible for the Sunoco business. Combined billings will be approximately $14 million.

The two agencies have both worked for Ralston-Purina, an important client for many years. As a result of our joining forces, we believe we shall be able to render even greater service to Ralston-Purina.

Before completing the acquisition all potential client conflicts or problems were weighed carefully. A few conflicts were anticipated but were, and are, considered insignificant when compared with the immediate benefits and long range potential inherent in the acquisition.

For 1973, the combination of these developments will raise total billings to some $185 million– putting us well within the top 15 agencies.

Toward Full Capitalization of our Creative Assets: WRG/Dragoti, Ltd.

WRG/Dragoti, Ltd., our audio-visual subsidiary, was formed in 1969 as a vehicle to maximize return on the creative assets of Wells, Rich, Greene. However, and most importantly, to insure that participation in the sphere of audio-visual communications– which includes the production of motion pictures, television commercials and programs, and industrial films– does not dilute either the creative or the capital resources of the agency, the activities of WRG/Dragoti are governed by our minimum risk principle. This is a working guideline which dictates, as a general practice, that only projects which do not require sizeable capital commitments will be accepted by WRG/Dragoti.

During the year, our first feature film (produced by WRG/Dragoti as a joint venture with the well-known producer, Jack L. Warner) was released to selected theaters around the country. Experienced assessment of early box office receipts of *Dirty Little Billy*, the story of Billy the Kid's boyhood, are encouraging.

We look forward to the film's European opening in 1973 under a domestic and international distribution arrangement with Columbia Pictures.

Many applications of our audio-visual capability are currently in the developmental stage, and over the

past fiscal year a number of important steps necessary for the growth of this subsidiary were completed. Separate divisions were formed to develop feature presentations for theatrical and television distribution and to prepare films for business, industry and the academic world. A number of properties and opportunities are presently being examined for development by WRG/Dragoti.

Flexibility: A Policy to Accommodate Growth

At Wells, Rich, Greene, we view ourselves as realists; we deal with the advertising industry as it is, and not as it used to be. We're very pragmatic. We don't fight the facts and we don't fight the times. We ride with them.

Flexibility, both conceptual and functional, is a key element in WRG's operating philosophy and provides the essential leverage to accomplish our internal and external growth objectives.

During 1972, this philosophical and operational flexibility allowed us to add several new clients—notably the BIC Pen Corporation, Bonanza International, and Westinghouse—each having totally distinct advertising needs, and each billing at a different level.

Though the advertising/marketing requirements for these new accounts differed significantly, our operating flexibility enabled the agency to handle each account on a profitable basis. In fact, *all* WRG accounts contributed to profits, because an important consideration in account selection is the potential profitability of the new business. We only accept accounts which can be handled profitably and which contain the potential for increasing our business, one way or another.

Additional new accounts, received after the close of fiscal 1972, are Wolverine World Wide, makers of Hush Puppies shoes, Paine, Webber, Jackson & Curtis, the investment brokerage firm, and, of course, Sunoco. Appropriate strategies for these clients are currently in different stages of test and development, and completed programs will be forthcoming over the next few months.

It's worth noting that while we were adding a diversity of new names to the companies we service, we also were able to expand service to clients of long standing—without penalizing either profitability or the quality of service each and every one of our clients deserves.

In every year of WRG's history, some seven to ten percent of our billings has stemmed from expanded service to clients of long standing. At this point in fiscal 1973, indications are for a continuation of this trend.

WRG's Full Merchandising Approach: A Framework for Creative Advertising

An important element in WRG's continuing full service to clients is our commitment to a total merchandising approach. An advertisement, in print or on TV, does not represent an isolated piece of creativity but is the result of efforts by our marketing, research, merchandising, sales promotion, media, programming, public relations and creative departments working with our client to position a product or service in a carefully-designed selling pattern.

The effectiveness of this coordinated merchandising approach is impressively demonstrated, for example, by the sales results of BIC's new felt tip pen. Working with WRG from the very inception of the idea, BIC, from a standing start, has already captured more than 15 percent of this market.

During fiscal 1972, this approach to creative advertising became even more important in the formation of new campaigns and in the assessment of on-going strategies. The agency was called upon by several of its clients to assist in the total development of new products. The success of these products can mean substantial increases in billings in fiscal 1973.

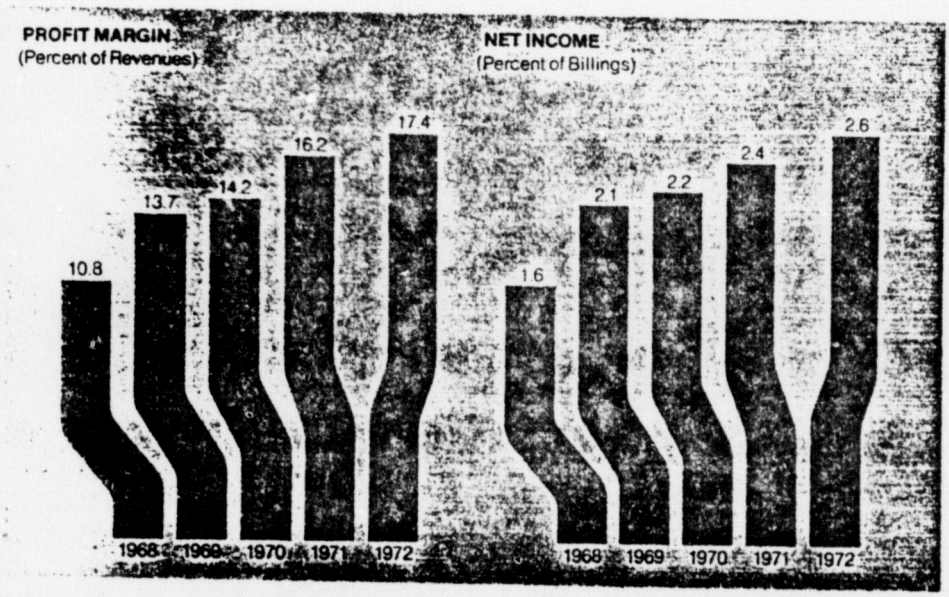
Looking ahead, we have every confidence that the momentum and spirit developed at Wells, Rich, Greene during fiscal 1972, as well as the challenges presented us by our growing roster of clients, will combine to provide continued record growth in fiscal 1973 and beyond.

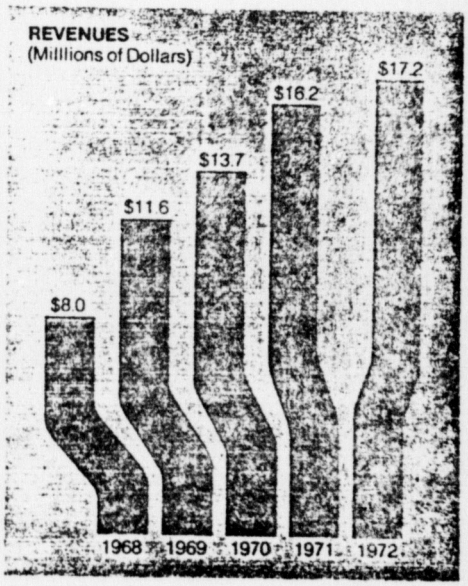
Mary Wells Lawrence

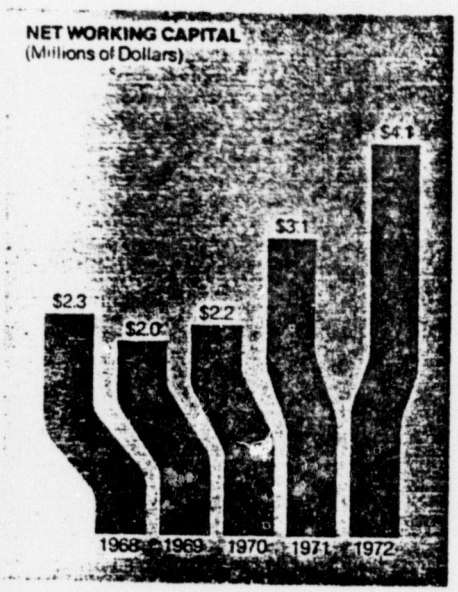
Mrs. Mary Wells Lawrence
Chairman of the Board

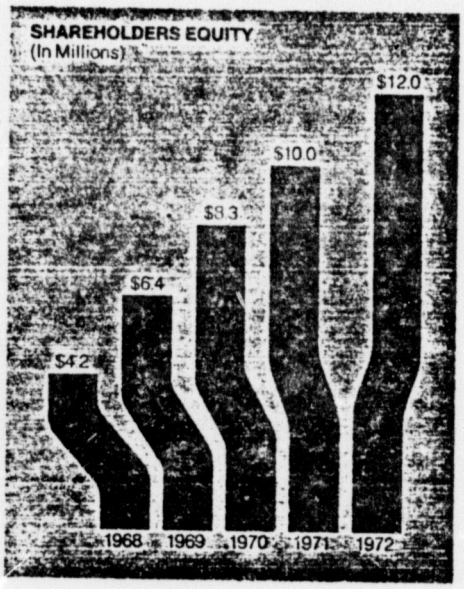
Mr. Charles Moss
President

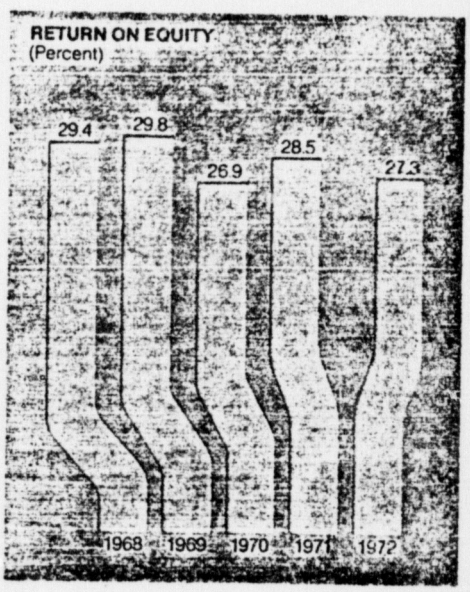
Some Further Insights Into WRG's Financial Picture











Statement of Consolidated Income

For the two years ended October 31, 1972

	1972	1971
Gross billings (Note 1)	$114,932,000	$108,008,000
Revenues		
Commissions and service fees (Note 1)	$ 17,231,204	$ 16,193,095
Other income—net (Notes 1 and 2)	157,287	56,081
Total revenues	17,388,491	16,249,176
Expenses		
Salaries and employee benefits	6,018,857	5,725,535
Other office and general expense	4,374,540	3,501,266
Depreciation and amortization (Note 1)	363,882	323,933
Amortization of deferred costs of advertising and product development services (Note 1)	525,755	644,279
Total expenses	11,283,034	10,195,013
Income before income taxes	6,105,457	6,054,163
Income taxes (Notes 1 and 8)	3,095,594	3,435,157
Net income	$ 3,009,863	$ 2,619,006
Net income per share of common stock (Note 1)	$1.90	$1.66
Net income per share of common stock—assuming full dilution (Note 1)	$1.83	$1.63

See notes to consolidated financial statements.

Consolidated Balance Sheet

October 31, 1972 and 1971

Assets	1972	1971
Current assets		
Cash	$ 3,068,509	$ 2,011,811
Marketable securities, at cost (quoted market value, 1972—$115,000; 1971—$107,000)	100,755	100,755
Accounts receivable	10,297,632	13,574,952
Billable production expenditures (with commissions accrued)	1,324,814	1,327,117
Prepaid expenses	170,371	93,307
Total current assets	14,962,081	17,107,942
Property—at cost (Note 1)		
Leasehold costs	3,265,165	2,677,375
Furniture and equipment	1,496,825	1,300,690
Total	4,761,990	3,978,065
Less accumulated depreciation and amortization	1,025,921	687,767
Property—net	3,736,069	3,290,298
Investment in properties (principally oil and gas) (Notes 1 and 2)	1,378,723	1,435,743
Deferred charges and other assets		
Deferred costs of advertising and product development services (Notes 1 and 3)	1,717,374	1,323,806
Deferred compensation expense (Notes 1 and 5)	226,813	380,007
Motion picture joint venture, scripts, etc. (Notes 1 and 4)	2,050,541	1,476,433
Other assets	212,260	263,476
Total deferred charges and other assets	4,206,988	3,443,722
Total assets	$24,283,861	$25,277,705

Liabilities and stockholders' equity	1972	1971
Current liabilities:		
Accounts payable	$10,561,770	$12,760,026
Accrued taxes	26,847	815,602
Other accrued expenses (Note 6)	265,387	207,434
Dividends payable (Note 7)		236,846
Total current liabilities	10,854,004	14,019,908
Deferred income taxes (Notes 1 and 3)	1,160,414	979,445
Deferred compensation (Note 10)	259,757	225,532
Commitments and contingent liabilities (Note 10)		
Stockholders' equity (Notes 5 and 7):		
Common stock, $1 par value — authorized 5,000,000 shares; issued — 1972, 1,605,628 shares; 1971, 1,586,621 shares	1,605,628	1,586,621
Capital in excess of par value	2,190,152	1,987,428
Retained earnings	8,863,939	6,569,281
	12,659,719	10,143,330
Less cost of shares of common stock in treasury — 1972, 37,555 shares; 1971, 7,650 shares	(650,033)	(90,510)
Total stockholders' equity	12,009,686	10,052,820
Total liabilities and stockholders' equity	$24,283,861	$25,277,705

See notes to consolidated financial statements.

Statement of Changes in Consolidated Financial Position

For the two years ended October 31, 1972

Funds provided	1972	1971
From operations:		
Net income	$3,009,863	$2,619,006
Depreciation and amortization of property	363,882	323,933
Amortization of deferred compensation expense	155,535	163,481
Amortization of deferred costs of advertising and product development services	525,755	644,279
Amortization of investments in oil and gas properties	77,961	115,193
Increase in deferred income taxes and deferred compensation	232,694	196,830
Total from operations	4,365,690	4,062,722
Sale of common stock	229,781	40,241
Other	52,710	56,705
Total	$4,648,181	$4,159,668
Funds applied		
Cash dividends	$ 715,205	$ 946,084
Expenditures for property	813,488	198,410
Investments in properties	20,941	61,844
Deferred costs of advertising and product development services	919,323	812,844
Motion picture joint venture, scripts, etc.	574,108	1,107,780
Common stock purchased	567,573	10,256
Payment of deferred compensation	17,500	
Increase in working capital (Note 9)	1,020,043	1,022,450
Total	$4,648,181	$4,159,668

See notes to consolidated financial statements

Statement of Changes in Stockholders' Equity
For the two years ended October 31, 1972

	Common Stock	Common Stock in Treasury	Capital in Excess of Par Value	Retained Earnings
Balance, October 31, 1970	$1,582,100	$ (80,254)	$1,909,445	$4,896,359
Net income				2,619,006
Cash dividends ($.60 per share)				(946,084)
Common stock sold under incentive stock purchase plan (Note 5)	3,500		67,366	
Stock options exercised (Note 5)	1,021		10,617	
Common stock purchased for treasury—500 shares		(10,256)		
Balance, October 31, 1971	1,586,621	(90,510)	1,987,428	6,569,281
Net income				3,009,863
Cash dividend ($.45 per share)				(715,205)
Common stock sold under incentive stock purchase plan—400 shares (Note 5)		8,050	1,450	
Stock options exercised (Note 5)	19,007		201,274	
Common stock purchased for treasury—30,305 shares		(567,573)		
Balance, October 31, 1972	$1,605,628	$ (650,033)	$2,190,152	$8,863,939

See notes to consolidated financial statements.

Notes to Consolidated Financial Statements

1. Summary of significant accounting policies

Principles of consolidation

The accompanying consolidated financial statements include the accounts of the Company and all subsidiaries. Foreign operations are not significant.

Deferral and amortization of costs of advertising and product development services

During the period immediately following the Company's appointment as advertising agency by a new client and before media billing commences (generally three months), the Company devotes substantial time and expense to a study of the client's products, markets, objectives, and media plans and to the creation of an advertising strategy including an initial campaign. Apart from fees received to reimburse the Company for a portion of these expenses, no revenue is expected to be obtained until the start of media billing. The Company, therefore, follows the policy of deferring these initial period costs plus related overhead, less fees, if any, applicable thereto and amortizing them on a straight-line basis over a thirty-six month period beginning with the month of initial media billing, with a small portion of such net costs, estimated as attributable to the initial campaign, being amortized in a like manner over an eighteen-month period.

Similarly, when a client requests services to develop marketing and other promotion ideas for new products, the costs of which are recoverable only against billing as such products are advertised, the Company defers the net costs and overhead relating to these development services and amortizes them on a straight-line basis over a thirty-six month period beginning when media billing commences. Any unamortized deferred costs attributable to clients or clients' products for which the Company's advertising services are terminated are written off against commissions received during the final months of media

billing (generally three months) during which period expenses attributable to the client are customarily reduced. Furthermore, if the level of media billings for a client or product subsequently declines to such an extent that all or a portion of the unamortized deferred costs applicable thereto cannot reasonably be expected to be recovered from related revenues from commissions and service fees, such portion of the unamortized deferred costs is charged to operations during the fiscal year in which such decline in media billings occurs.

• *Accounting for revenues*

Revenues from "Commissions and service fees" represent commissions earned from advertising placed with various forms of media, production commissions billed or accrued on expenditures incurred for clients, and fees derived from miscellaneous services. In accordance with prevailing industry practice, "Gross Billings" are included for statistical purposes and are calculated by multiplying revenues from "Commissions and service fees" by 6.67 since these revenues generally amount to 15% of such billings.

The Company generally recognizes revenue on broadcast advertising based on broadcast date, on magazine advertising based on magazine closing date and on billable production costs based on date cost is incurred.

• *Accounting for investments in oil and gas properties*

All expenditures (intangible drilling and development costs, lease costs and lease and well equipment) relating to the purchase of the Company's undivided interests in various oil and gas properties have been capitalized and are being amortized on an overall unit-of-production basis.

• *Accounting for motion picture joint venture, scripts, etc.*

The Company has deferred certain costs, primarily production advances, salaries and general overhead, related to the motion picture joint venture mentioned in Note 4 and certain other scripts and productions in process. Such costs will be amortized against the revenue expected to be realized from the distribution and exhibition of the related productions.

• *Depreciation and amortization policy*

Depreciation is provided on furniture and equipment (except paintings and art objects, which are not depreciated) on a straight-line basis over the estimated useful life of the assets. Leasehold costs are amortized on a straight-line basis over the shorter of the term of the related leases or their estimated useful lives.

• *Accounting for stock purchase plans*

Upon the exercise of options under the Company's Stock Option Plan (see Note 5), the par value of the shares issued is credited to the common stock account and the excess of the option price over the par value is credited to capital in excess of par value.

The difference between the subscription price and the fair value on the date of grant of shares made available to employees under the Company's Incentive Stock Purchase Plan (see Note 5) is charged to deferred compensation expense and is amortized over a five-year period as restrictions lapse on the applicable stock.

• *Income taxes*

For purposes of Federal and state income taxes, allowance for depreciation and amortization of property is deducted on an accelerated basis, and deferred costs of advertising and product development services are deducted during the year incurred.

Intangible drilling and development costs for both productive and non-productive oil and gas wells, which are capitalized for financial accounting purposes, are deducted for income tax purposes during the year incurred.

Investment tax credits are recorded as reductions of the current provision for Federal income taxes as eligible property is acquired.

• *Net income per share of common stock*

Net income per share of common stock is computed by dividing net income by the weighted average number of shares outstanding. The effect of stock options and incentive stock purchase arrangements has not been considered in this computation because they were either not dilutive or their effect insignificant.

Net income per share of common stock—assuming full dilution gives effect to the assumed exercise of dilutive stock options.

2. Investment in oil and gas properties

Other income includes $68,000 in 1972 and $69,000 in 1971 of income from oil and gas production on the properties after deductions of $94,000 and $163,000, respectively, of amortization and other costs relating thereto. Based on the reports received from the companies managing the investments, the estimated recoverable reserves, realizable over a period of years, on the properties held on October 31, 1972 and 1971 had a current gross sales value of $3,320,000 and $3,824,000, respectively.

3. Deferred costs of advertising and product development services

At October 31, 1972 and 1971, unamortized balances of deferred costs of advertising and product development services were as follows:

	October 31	
	1972	1971
Advertising service costs—new clients	$ 377,729	$ 451,893
Development service costs—new products (principally relating to products being advertised or with agreed initial media billing dates)	1,339,645	871,913
Total	$1,717,374	$1,323,806

4. Motion picture joint venture, scripts, etc.

Motion picture joint venture, scripts, etc. consists primarily of the accumulated costs incurred by the Company's 80%-owned subsidiary relating to various

motion pictures and other productions. The subsidiary's major project, a motion picture produced by a joint venture in which the subsidiary has a 50% interest, was completed during the year and released for exhibition in late October 1972. No revenues from the exhibition of this film are included in the accompanying statement of consolidated income.

The revenues to be derived from the distribution and exhibition of the above-mentioned productions are not presently determinable; however, management is of the opinion that all deferred costs will be recovered from revenues expected to be derived from such productions.

5. Stock purchase plans

(a.) Stock Option Plan—The Company's Stock Option Plan provides for the granting to key employees of qualified options, non-qualified options, or tandem options for the purchase of the Company's common stock. Qualified options and non-qualified options may be granted at not less than 100% and 85%, respectively, of the fair market value of the common stock on the date of grant and must be exercised within five years and ten years, respectively, from such date. Tandem options are exercisable as either qualified or non-qualified options at the option of the employee. No options granted under the Plan may be exercised for a period of six months from the date of grant. Also, payment for shares purchased upon the exercise of options may, at the discretion of the Compensation Committee, be paid in installments, provided that the full option price must be paid by the end of ten years from the date of exercise. All options granted under the plan have been at 100% of fair market value of the common stock at date of grant.

The changes in the number of shares under option during 1972 and 1971 were as follows:

	Number of Shares Under Option	Aggregate Option Price
Outstanding, October 31, 1970	82,475	$1,045,931
Granted	252,416	5,173,449
Cancelled	(2,918)	(31,305)
Exercised (at $6.00 to $14.00 a share)	(1,021)	(11,638)
Outstanding, October 31, 1971	330,952	$6,176,437
Granted	31,000	706,937
Cancelled	(17,302)	(320,598)
Exercised (at $6.00 to $20.50 a share)	(19,007)	(220,281)
Outstanding, October 31, 1972 (at $6.00 to $23.50 a share)	325,643	$6 42,495

At October 31, 1972 and 1971, 18,079 and 3,027 shares, respectively, were available for grant under the plan. Also, at October 31, 1972 and 1971, 228,660 and 50,256 shares, respectively, were exercisable at an option price of $6.00 to $23.50 a share and $6.00 to $20.50 a share, respectively.

(b.) Incentive Stock Purchase Plan—Under the Company's Incentive Stock Purchase Plan, key employees of the Company and its subsidiaries may subscribe to a total of 85,000 shares of common stock. The purchase price as to the shares made available to an employee under the Plan shall be equal to the greater of either (i) 40% of the fair market value of the shares of common stock on the business day immediately preceding the date an employee is given the right to purchase such shares, or (ii) the consolidated book value of a share of common stock as of the end of the fiscal year preceding such date. The Committee which administers the Plan is authorized to impose restrictions as to the disposition of the shares purchased by employees under this Plan, which restrictions lapse in annual installments.

During the year ended October 31, 1971 the Company granted five employees the rights to purchase 3,500 shares under this Plan at a subscription price of $8.05 per share, and during the year ended October 31, 1972 the Company granted an employee rights to purchase 400 shares at a subscription price of $9.50 per share.

The Company repurchased 400 shares during each of the years ended October 31, 1972 and 1971 which had previously been issued under the Plan. On October 31, 1972 and 1971, 400 shares were available for grant under the Plan.

6. Executive incentive plan

The Plan, adopted in August 1968 and amended in March 1971, provides for the crediting of 10% of the net earnings from operations of the Company and its consolidated subsidiaries before taxes to an annual fund which is available in whole or in part for awards to key employees. The Plan calls for an annual award to the Company's Chief Executive Officer equal to 25% of the annual fund and an award to any employee who has an employment agreement, approved by the Board of Directors, that provides for such an award. The Committee administering the Plan determines the other employees eligible for awards and the amounts of such awards, if any. The award to any employee in any year may not exceed the amount of his compensation (including deferred compensation) for that year. Subject to the discretion of the Committee, an employee may elect to defer receipt of his award. Contributions to the Plan for such executive incentive compensation amounted to $260,000 in 1972 and $181,000 in 1971.

7. Dividends on common stock

Cash dividends amounting to $.45 per share and $.60 per share were declared during the 1972 and 1971 fiscal years, respectively. The fourth quarterly 1972 cash dividend of $.15 per share was declared by the Board of Directors on November 1, 1972 (payable on November 17, 1972) and the first quarterly 1973 dividend of $.15 per share was declared on January 4, 1973 (payable on February 9, 1973).

8. Income taxes

The components of income tax expense are as follows:

	Federal	State and Other
Taxes currently payable		
1972	$2,372,020	$579,696
1971	2,526,324	777,636
Deferred income taxes		
1972	$ 128,444	$ 52,525
1971	78,373	57,25[illegible]
Investment tax credit		
1972	$ 37,091	
1971	4,427	

9. Changes in working capital

	1972	1971
Current assets:		
Cash	$1,056,698	$ 626,002
Marketable securities		(669,349)
Accounts receivable	(3,277,320)	562,523
Billable production expenditures	(2,303)	44,397
Prepaid expenses	77,064	49,644
Increase (decrease) in current assets	(2,145,861)	613,217
Current liabilities:		
Accounts payable	(2,198,256)	(19,984)
Accrued taxes	(788,755)	(710,568)
Other accrued expenses	57,953	84,473
Dividends payable	(236,846)	236,846
Decrease in current liabilities	(3,165,904)	(409,233)
Total increase	$1,020,043	$1,022,450

10. Commitments and contingent liabilities

The Company has entered into employment agreements with seven key employees (including the Chief Executive Officer) providing for basic aggregate salaries of $748,000 per annum. Under these contracts, the Chief Executive Officer and five other employees agree to act as consultants to the Company for specified periods following their active employment for which services they will receive aggregate consulting fees of $255,000 per annum for the first two years and $232,500 per annum thereafter. The agreement with the Chief Executive Officer is for twelve years commencing May 1, 1969 and the specified consulting term of her employment contract is an additional twelve-year period following her active employment. See Note 6 for Executive Incentive Plan award.

Under the aforementioned employment contracts the Company will also pay the employees' designated beneficiaries an aggregate of $2,958,000 in the event of the employees' deaths. The Company is insured for its liabilities under these contracts. The Company has agreed to pay four of its employees deferred compensation aggregating $844,000 at specified dates stated in their respective contracts. Cumulative deferred compensation amounted to approximately $260,000 at October 31, 1972 and $225,000 at October 31, 1971.

The Company and its subsidiaries lease their present office facilities under long-term leases for an aggregate minimum annual rental of $681,000 under agreements expiring at various dates through October 31, 1983.

11. Acquisition of Gardner Advertising

In December 1972, in a transaction accounted for as a purchase, the Company acquired through a wholly-owned subsidiary all of the assets and assumed certain of the liabilities of Gardner Advertising Company, Incorporated in exchange for 77,476 shares (including 50,000 shares from treasury) of the Company's common stock. The fair value ($1,700,000) of the Comp[illegible]'s shares exchanged for the capital stock of Gard[illegible] proximates the net assets acquired from Gardner.

The following is a pro forma summary of the combined consolidated operations of the Company and Gardner for the year ended October 31, 1972 (after conforming Gardner's accounting policies to those followed by the Company):

Gross billings	$1[illegible]
Revenues from commissions and service fees	$ 2[illegible]563
Net income	$ [illegible]72,678
Net income per share of common stock	$ 1.96
Net income per share of common stock—assuming full dilution	$ 1.89

Accountants' Opinion

To the Stockholders
and Board of Directors
of Wells, Rich, Greene, Inc.:

We have examined the consolidated balance sheet of Wells, Rich, Greene, Inc. and subsidiary companies as of October 31, 1972 and 1971 and the related statements of consolidated income, changes in stockholders' equity, and changes in consolidated financial position for the years then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, subject to the realization of the costs of the motion picture joint venture, scripts, etc. as explained in Note 4, such financial statements present fairly the financial position of the companies at October 31, 1972 and 1971 and the results of their operations and the changes in their financial position for the years then ended in conformity with generally accepted accounting principles applied on a consistent basis.

Haskins & Sells

New York, New York
January 4, 1973

Directors

MARY WELLS LAWRENCE
Chairman of the Board

JOHN V. BURNS

FRANK G. COLNAR

STANLEY G. DRAGOTI

ARNOLD M. GRANT
Attorney

STEWART GREENE

FREDERICK L. JACOBS

WARREN J. KRATKY
President of
Gardner Advertising Company,
Incorporated, a wholly-owned
subsidiary of the Company

CHARLES MOSS

RICHARD T. O'REILLY

TROY V. POST
Investor

EMILIO PUCCI
Designer

MARTIN STERN

Officers

MARY WELLS LAWRENCE
Chairman and Chief Executive Officer

CHARLES MOSS
President

RICHARD T. O'REILLY
Executive Vice President

JOHN BURNS
Senior Vice President
Account Services

FRANK G. COLNAR
Senior Vice President
Financial Planning

FREDERICK L. JACOBS
Senior Vice President
Administration, Secretary
and Treasurer

MARTIN STERN
Senior Vice President
Sales Director

JOHN BAITY
Vice President
Account Services

THEODORE BARASH
Vice President
Account Services

DONALD CHALLIS
Vice President
Account Services

HOWARD COHEN
Vice President
Creative

GEORGE D'AMATO
Vice President
Creative

KATHERINE DURHAM
Vice President
Executive

JACQUELINE END
Vice President
Creative

RICHARD FREEDMAN
Vice President
Controller

JEFFREY FREY
Vice President
Creative

CHARLES FRYER
Vice President
Account Services

CATHARINE GIBSON
Vice President
Sales Promotion, Copy

HERB GREEN
Vice President
Creative

CHARLES HAMM
Vice President
Account Services

JOHN HUGHES
Vice President
Media Director

MURRAY HYSEN
Vice President
Director of Research

ROBERT IGIEL
Vice President
Network Television

MURRAY JACOBS
Vice President
Sales Promotion Art

EDWARD JEWETT
Vice President
Account Services

GERALD KESSLER
Vice President, Finance
Assistant Treasurer

MAURICE MAHLER
Vice President
Creative

MATTHEW MANSFIELD
Vice President
Account Services

PAUL MARGULIES
Vice President
Creative

WILLIAM McGLYNEY
Vice President
Account Services

MARTIN MITCHELL
Vice President
Account Services

BERT NEUFELD
Vice President
Creative

DAVID OTTEY
Vice President
Television Production

ROBERT PASQUALINA
Vice President
Creative

GERALD RANSON
Vice President
Creative

ROBERT REITZFELD
Vice President
Creative

GARY ROBERTS
Vice President
Account Services

HAROLD SINGER
Director of Public Relations

IRVING SLOAN
Vice President
Assistant Secretary

ALEX TSAO
Vice President
Creative

MICHAEL VOLICK
Vice President
Creative

ANDRE VAN STOM
Vice President
Account Services

LEWIS WECHSLER
Vice President
Director of Network Television

ARNOLD WEINRIB
Vice President
Account Services

ROBERT WOLF
Vice President
Account Services

AL WOLPE
Vice President
Account Services

HANS ZUCKER
Vice President
Media

STANLEY YASSEN
Assistant Secretary

Counsel
Hughes Hubbard & Reed

Transfer Agent
Chase Manhattan Bank, N.A.

Registrar
Chase Manhattan Bank, N.A.

General Office
767 Fifth Avenue
New York, N.Y. 10022

EXHIBIT 9

1971 WRG Annual Report

Wells, Rich, Greene Inc.

Officers

MARY WELLS LAWRENCE
Chairman of the Board of Directors and Chief Executive Officer

CHARLES MOSS
President

RICHARD T. O'REILLY
Executive Vice President

JOHN BURNS
Senior Vice President, Account Services

FRANK G. COLNAR
Senior Vice President, Financial Planning

FREDERICK L. JACOBS
Senior Vice President, Administration; Secretary and Treasurer

MARTIN STERN
Senior Vice President, Sales Director

CHARLES ASHBY
Vice President, Creative

THEODORE BARASH
Vice President, Account Services

GEORGE D'AMATO
Vice President, Creative

JACQUELINE END
Vice President, Creative

CATHARINE GIBSON
Vice President, Sales Promotion, Copy

HERB GREEN
Vice President, Creative

CHARLES HAMM
Vice President, Account Services

JOHN HUGHES
Vice President, Media Director

MURRAY HYSEN
Vice President, Director of Research

MURRAY JACOBS
Vice President, Sales Promotion, Art

GERALD A. KESSLER
Vice President, Finance

FRANK KIRK
Vice President, Creative

VICTOR LYNN
Vice President, Account Services

MAURICE MAHLER
Vice President, Creative

WILLIAM McGIVNEY
Vice President, Account Services

BERT NEUFELD
Vice President, Creative

VICTOR OLESEN
Vice President, Account Services

GERALD RANSON
Vice President, Creative

ROBERT REITZFELD
Vice President, Creative

HAROLD SINGER
Vice President, Director of Print Production

IRVING SLOAN
Vice President, Account Services

LEWIS WECHSLER
Vice President, Director of Network Television

AL WOLFE
Vice President, Account Services

Directors

MARY WELLS LAWRENCE
Chairman of the Board of Directors and Chief Executive Officer

FRANK G. COLNAR
Senior Vice President

ARNOLD M. GRANT
Attorney, and Director of Continental Airlines, Inc. and Kayser-Roth Corporation

STEWART GREENE
Art Director and Consultant to Chairman-Special Projects

FREDERICK L. JACOBS
Senior Vice President, Secretary and Treasurer

CHARLES MOSS
President

RICHARD T. O'REILLY
Executive Vice President

TROY V. POST
Investor

EMILIO PUCCI
(Marchese de Barsento)
Member of the Italian Parliament and designer

COUNSEL
Hughes Hubbard & Reed

TRANSFER AGENT
Chase Manhattan Bank N.A.

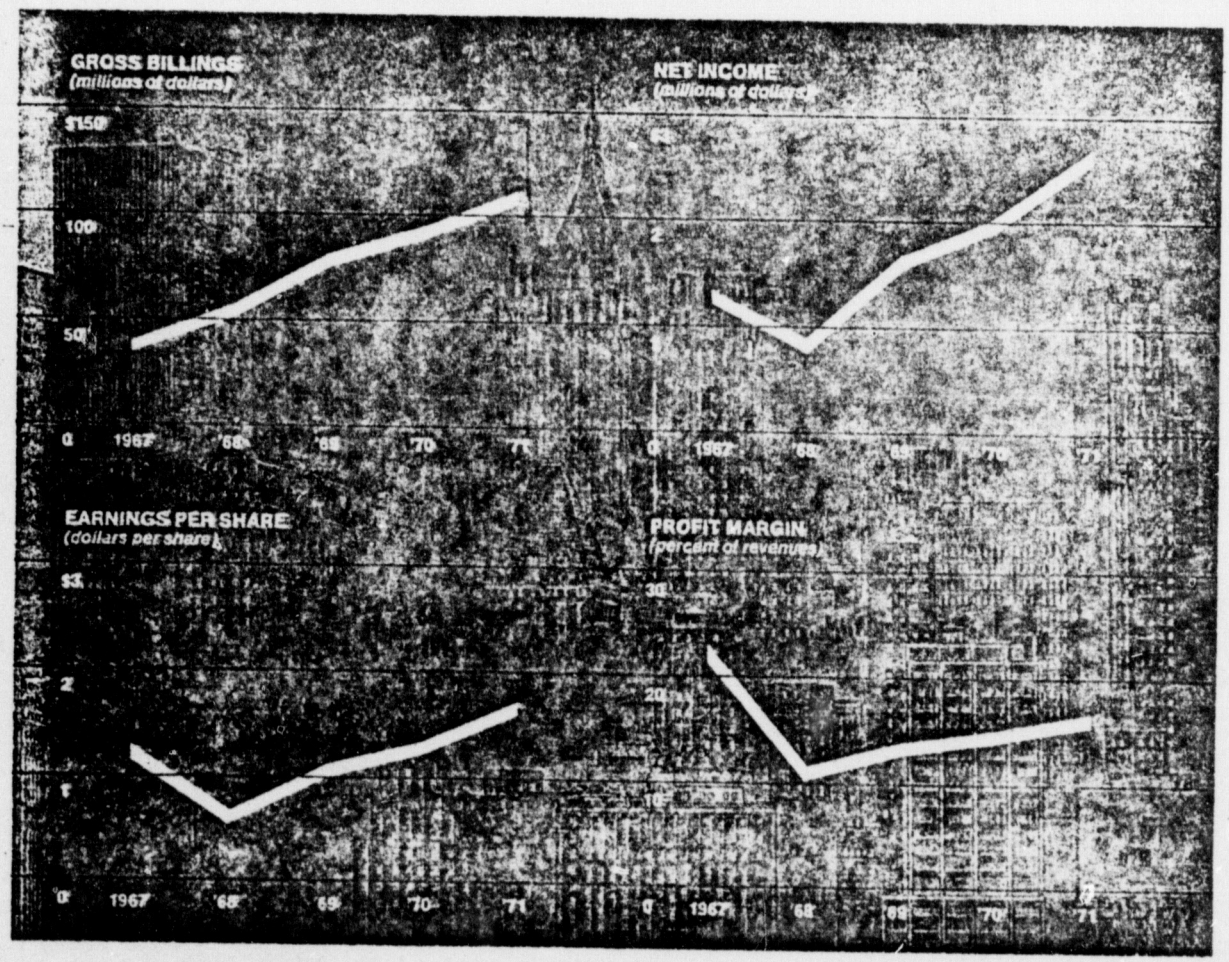
REGISTRAR
United States Trust Company

BRANCH OFFICES
Detroit
Los Angeles
London
Hong Kong

GENERAL OFFICE ADDRESS
767 Fifth Avenue, New York, New York 10022

Five year financial highlights

	1971	1970	1969	1968	1967
Gross billings	$108,008,000	$ 91,589,000	$ 77,371,000	$ 53,299,000	$ 36,508,000
Net income	2,619,006	1,978,470	1,586,735	861,017	1,217,982
Net income per share	1.66	1.25	1.02	.62	1.21
Net working capital	3,088,034	2,065,584	1,980,681	2,250,052	618,673
Shareholders' equity	10,052,820	8,307,650	6,399,794	4,261,084	1,603,107
Total assets	25,277,705	23,744,938	15,996,734	12,093,292	8,934,494
Profit margin	16.2	14.2	13.5	10.6	22.3
Cash and marketable securities	2,112,566	2,155,900	857,200	1,171,600	217,500



The fiscal year ended October 31, 1971 was a very special one for Wells, Rich, Greene.

It was a year in which we crystallized the agency's most important asset—people—to meet the challenges of the Seventies.

And it was most importantly a year of achievement:

Billings, in 1971, topped the $100 million mark for the first time, climbing from $91,589,000 in 1970 to $108,008,000.

Net income rose 32.4 per cent to $2,619,006 from $1,978,480; and earnings per share increased 32.8 per cent, to $1.66 from $1.25 in 1970.

A dividend policy was instituted and quarterly dividends of $0.15 per share were made to our shareholders.

Marketability of WRG's securities was enhanced by the agency's listing in August on the New York Stock Exchange.

The accomplishments of 1971 underscore Wells, Rich, Greene's role as a major participant, not only in the advertising industry, but also in the mainstream of the nation's economic life.

As a reflection of our present posture, and in anticipation of the challenges and opportunities that lie ahead, the agency has modified its management structure to accommodate the continuing expansion of WRG.

In October, the Board of Directors voted to elect Charles Moss president of Wells, Rich, Greene. Mrs. Mary Wells Lawrence continues as chairman and chief executive officer.

At the same time, the Board approved the promotion of other WRG executives and elected Richard T. O'Reilly executive vice president and John Burns senior vice president and account group head.

The appointment of a new president signals neither a reshuffling of responsibility nor the imminent departure of key personnel. Rather, the entire restructuring, which really only formalized on-going executive functions, is designed to make more readily apparent to clients and shareholders alike a fact that we at Wells, Rich, Greene have always known: the fact of teamwork on all levels and in every department.

The remarkable growth and profitability that WRG has achieved since its inception has been accomplished through a creative interplay among a relatively small number of talented professionals. There is no hierarchy at WRG. Instead, there is a most unusual working rapport among the staff; everyone—from research to account, creative, and media services—is directly involved in the formulation and production of cogent advertising/marketing campaigns for our clients and the multitude of products and services for which we are responsible.

The gains in productivity netted by this operating philosophy last year enabled WRG to reduce salary expenditures—by far our largest cost of doing business—to less than 41 per cent of operating revenues. Further, the very leanness of our staff, in combination with our redesigned management base, enhances the agency's functional leverage—an element that will become increasingly vital to dealing with the realities of the advertising business in the years ahead.

Over the next few years, we can expect that the climate for advertising will change in response to pressures from government, industry groups, and consumers. The responsibilities of the advertiser will be greater than ever before, and it will be the exciting—and exacting—task of the advertising industry to meet the creative challenge these responsibilities present.

The leverage provided by our internal structure and operating philosophy is an essential for continued effective competition in this altered environment. And our marketing approach to advertising—a technique that encompasses product development, packaging, promotion, merchandising, and sales—provides the wherewithal for superior service to clients who deserve no less.

Over the course of fiscal 1971, we not only added new accounts to our blue-chip client roster, but expanded our service to clients of long standing. Examples of expanded service: the new dealership campaign for American Motors, the air cargo program for Trans World Airlines, and additional responsibilities given to us by Philip Morris, Seagrams, Ralston Purina, Miles Laboratories, General Mills, Procter & Gamble and Royal Crown Cola.

In addition, a review of our present in-house creative capacity late in the fiscal year prompted a temporary relaxation of our new accounts policy to include clients with media billings of between $2-3 million per year. Clients in this category are subject to the same selective process that WRG follows for all new accounts, with the added considerations of their potential for increased billings in the future and lack of conflict with significantly larger accounts in the offing.

Accordingly, we added two new accounts which meet our criteria and offer existing growth opportunities for the agency: the new line of felt-tip pens by Bic, and Bonanza International, Inc., a fast food restaurant organization with outlets in 36 states. Advertising/marketing strategies for both clients are currently in the formative stage and will be completed during the next few months.

Other achievements of the year include the completion of the first feature length film produced by our WRG/Dragoti, Ltd., subsidiary. "Dirty Little Billy," which tells the true story of Billy the Kid's boyhood, is scheduled for release in the Spring.

We are pleased with the outcome of our initial venture in this field, and will continue to seek other opportunities where the investment risk is minimal and where the creative energies of Wells, Rich, Greene will not be diluted but will be used to maximum corporate advantage.

Though 1971 can hardly be considered a banner year for business generally, it was certainly a very special year for Wells, Rich, Greene. Our clients, all marketing-oriented corporations, apply forward planning techniques to budgeting for market/advertising programs. And, because it is vital for them to maintain a competitive edge in the marketplace, they remain committed to these campaigns, regardless of temporary fluctuations in broad economic conditions.

We believe that WRG's favorable experience during the recent business contraction suggests that primary advertising agencies, like Wells, Rich, Greene, are at least recession resistant and to a great degree recession proof.

Last year's gains in growth and profitability, achieved in a climate of lingering economic uncertainty, are gratifying to review—but they are past. And this agency will never be content with past history. We continually strive to break our own records, to set ever-higher goals—and meet them.

In the early months of fiscal 1972, WRG has demonstrated characteristic verve in client service, creative innovation, and corporate performance. We are confident that this, too, will be a very good year for Wells, Rich, Greene.

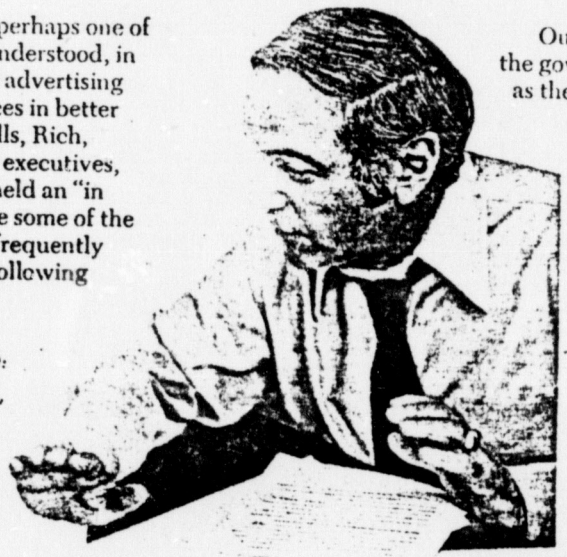
Mary Wells Lawrence

Mrs. Mary Wells Lawrence
Chairman of the Board of Directors

Mr. Charles Moss
President

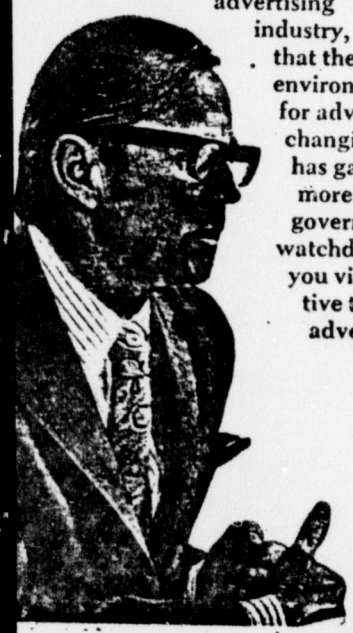
January 25, 1972

The advertising industry is perhaps one of the most conspicuous, yet least understood, in the world of business. To put the advertising business and the challenges it faces in better perspective, key members of Wells, Rich, Greene's staff, including account executives, creative people and researchers held an "in house" seminar to try and provide some of the answers to those questions most frequently asked about their business. The following is a transcript from that seminar.



Fred Jacobs, *senior vice-president:*
"...Here, creative people are business people as well."

QUESTION: It has been noted at various times and by different people, both within and outside the advertising industry, that the environment for advertising is changing. The consumer has gained in sophistication and is now more questioning. At the same time, the government is assuming a more active watchdog role in the marketplace. Do you view these developments as restrictive to the creative prerogatives of the advertising business?



ANSWER: Government scrutiny is a reality of our business. But the FDA, the FTC, the Better Business Bureau have always been realities; they are not new to us.

Richard O'Reilly, *executive vice-president:*
"...we develop a point of view as to the marketing posture a client should assume..."

We are not, however, truly restricted by the activities of these government groups. The rules may change, and something we could do last year we can't do this year. But, in the ultimate, we still have a product to sell; we still have people to talk to and we still have to get their attention; we still have to know what we want to say to them, and we still have to figure out how best to say it. That will never change.

Robert Reitzfeld, *vice-president:*
"...Creative people...are egotistical in the sense that they always want to do outstanding work..."

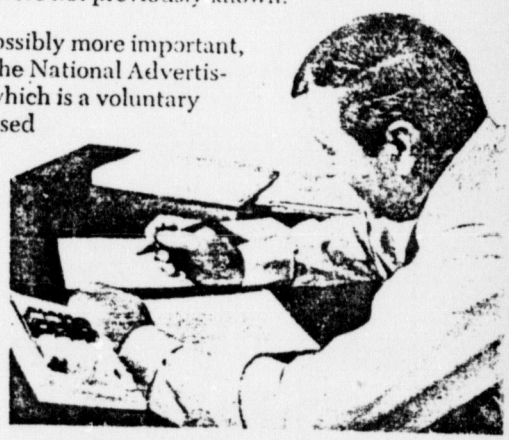
Our business is communications. And no matter what the government agencies are going to be or do, as long as there are people and as long as we have an economy, there will be a need for communications and a need for people who communicate expertly.

I think we all feel that, whatever the regulations may be, we will do the very best, the most expert, job of communicating messages that sell a product.

I think that, presently, there may be an overreaction on the part of the government to the small segment of the advertising industry that has been dishonest—the retail advertising, used car ads or discount store ads. The problem now is to find some reasonable balance. Several things have happened that may help.

One is the recent four-day series of hearings held in Washington with the FTC. The testimony of expert witnesses from all aspects of the advertising business brought to light a lot of factors that were not previously known.

Second, and possibly more important, is the formation of the National Advertising Review Board which is a voluntary organization composed of advertisers, agencies, and manufacturers and designed to provide a place where advertising can be reviewed. If it becomes an effective agency, it will eliminate a lot of governmental activity.

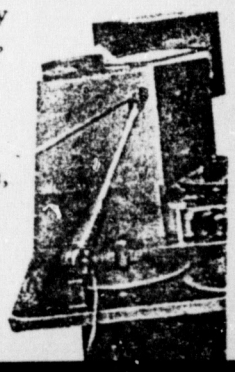


Frank Colnar, *senior vice-president:*
"...You're associated here with real professionals... the job gets done and gets done well."

Aside from the new Review Board, are there any other attempts at self-regulation?

At Wells, Rich, Greene we check ourselves all the time. You know, it's unfortunate that people who have certain attitudes about what legitimate advertising agencies put out can't join some of our problem-solving sessions and learn how much sweat goes into seeing that only the actual truth appears in an ad. Literally dozens of people are involved in these sessions, each one of them challenging, saying, "No, you can't say this because it might be misleading—or that, because it might be misconstrued."

Yes, we practice very strict self-regulation, but, unfortunately, the public never has a chance to learn of it.



What, if any, effect will increased consumer sophistication have on the kind of creative appeals you build into your advertising messages?

This agency is pretty well known for never assuming a condescending attitude in the way it addresses the public.

In all our work, though, we do take account of the fact that the advent of mass communications has made people more aware of issues and developments outside their own milieu.

That's right. People from coast to coast have read or heard about cyclamates, automobile recalls, marbles in the soup and so forth. As consumers, they are intelligent and sophisticated in the sense that they want to have enough information to make a reasoned judgment about the relative worth of a given product. In conveying that information, we try to present our message on an acceptable level, respecting the intelligence of the consumer and talking, in effect, across the table, on a one-to-one basis with him.

In view of the changing climate for advertising that was mentioned earlier, can we expect some change in the form advertising takes?

I think that even now the form of commercials is changing. The networks, for example, are now selling 30-second slots (rather than 60-second ones) as a basic time unit. At the same time, we are using 90-second commercials for one of our clients—with a 45-second disclaimer. As you can see, while they're condensing, the changes in the rules are making it necessary for us to expand everything we do.

What of the tone of commercial messages? Can we expect a more serious approach or will commercials continue to be both informative and entertaining?

"This agency is pretty well-known for never assuming a condescending attitude in the way it addresses the public."

I think there is still plenty of room for entertaining but relevant advertising. Gone are the days of the semi-truths and the misleading statements, but I think there are still ways to present interesting, truthful copy in an entertaining and motivating way.

Many of the commercials Wells, Rich, Greene turns out use humor, but they are not amusing for the sake of being funny. The humor covers some very strong selling points.

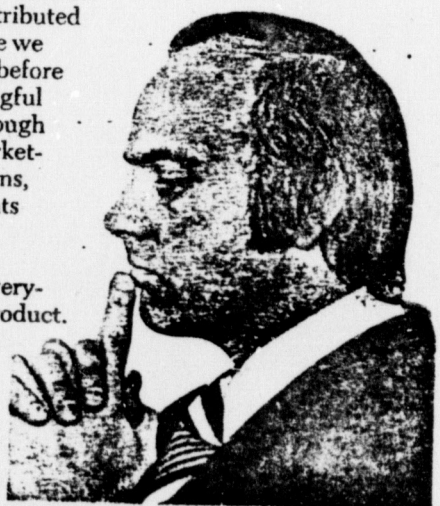
The primary purpose of an ad is to communicate, so you select the creative option that best conveys the message. If you can communicate what you want to say in a memorable way, and if you can do it with humor, you're far more successful.

William Thomas *"...before we can develop a meaningful strategy, we need a thorough understanding of the marketplace, consumer patterns, and needs and wants of customers."*

Catherine Gibson, *vice-president:* *"...The only thing that WRG commercials demand is excellence. It's as simple as that."*

WRG is known as a problem-solving agency, but the way in which problems are solved is less well known. What happens when a client comes to WRG for a solution—say, with a product on which sales are slumping?

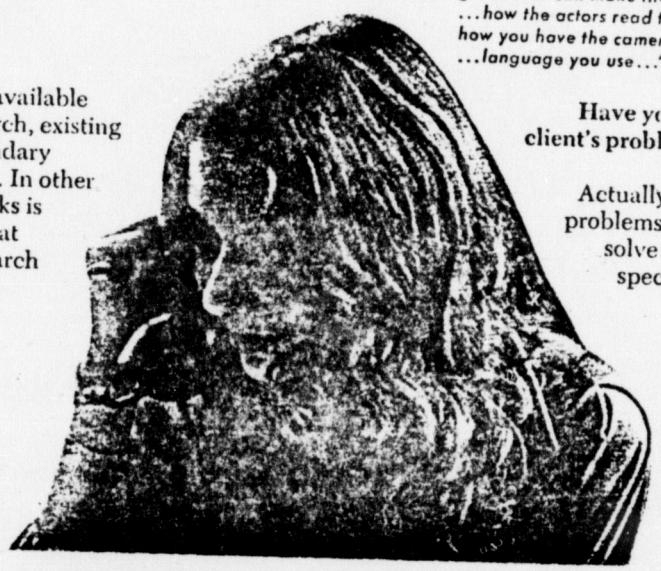
First, we set out to isolate the conditions that have contributed to depressed sales. Before we can work magic—that is, before we can develop a meaningful strategy—we need a thorough understanding of the marketplace, of consumer patterns, and of the needs and wants of customers.



David Ottey *"...we try to present our message on an acceptable level, respecting the intelligence of the consumer..."*

We try to find out everything we can about the product. We talk to all the people at the client's firm, including their product research people, their marketing people. We try to find out what they think the problem is. We listen to them. It's very important that we listen to the client. We don't just say we're going to get our own solution and we're going to come to you with it.

Jacqueline End, *vice-president:*
"There's a whole range of intangibles that can make the difference ...how the actors read their lines... how you have the camera working ...language you use..."



Secondly, we try to get any other available information—previous marketing research, existing advertising. We look at data from secondary sources—trade associations and so forth. In other words, what we do for the first few weeks is our homework. We study everything that is available. If we need some more research we might suggest that it be done. Often we give a new perspective to information they have had.

What would you say is the chief value of this in-depth backgrounding in formulating a new strategy?

Research is done to answer a question: why is the product in trouble; what is its brand image; why is its competition succeeding; why isn't their product succeeding. We apply all of the information we've obtained to getting those answers. Then we go to the client and say, "here is what we've learned about your business and here, it seems to us, are where the problem areas are."

Victor Olesen, *vice-president:*
"...clients don't come to us unless they are making an across-the-board commitment to improve their competitive position..."

Preliminary research is vital to problem solving. The agency's work is not just creativity, though, of course, the creative aspects are most apparent. In every case, we begin to attack a problem by obtaining hard information. We want to know what's going on in the marketplace; whether the reasons for a sales slump are purely economic or are they attributed to the way a product is perceived.

The range of contributing factors is quite vast. It could be product oriented; it could be the advertising, or the sales force, or the entire distribution method. So, first we complete statistical market research to identify the creative opportunity.

And, once we have all available pertinent data, we seek to determine what can be done to solve the client's problem, and how WRG can best do it.

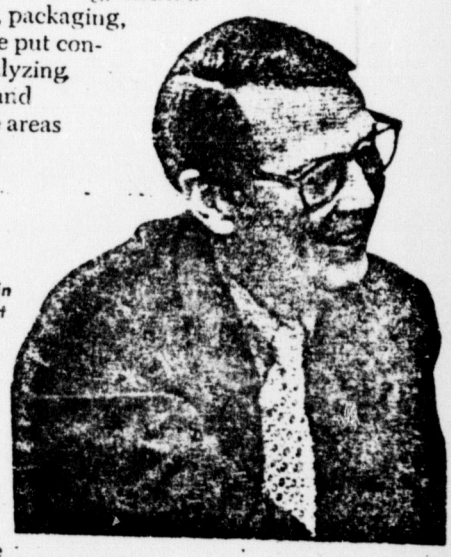
Lewis Wechsler, *vice-president:*
"The proper interpretation of results—and knowing when to fly in the face of research—comes from experience..."

Have you ever found that you can't solve a client's problem?

Actually, there are two broad categories of problems—the ones we can actively work to solve and the ones where we can counsel specific action by the client himself.

We can, for example, urge a client to redesign a product—add new attributes and remove others—but, we cannot redesign an automobile or a refrigerator or an airplane.

In this type of situation, we come back to the business of identifying problem areas. We examine product research that has already been done and we may recommend further analysis to illumine any remaining hazy areas. We look at marketing, distribution systems, inventory, packaging, selling, and so forth. We put considerable effort into analyzing what the problems are and defining specifically the areas that can be approached through client counseling.



John Burns, *senior vice-president:*
"...The rules may change....But, in the ultimate we still have a product to sell..."

Once you've accepted a new account, how do you communicate to the client what you are doing for him?

After the preliminary investigative work has been competed and the findings analyzed, we develop a point of view as to the marketing posture a client should assume. Then we give him a written report distilling our evaluation of all available facts and of consumer attitudes. At this time, we tell the client how we believe the product should be positioned in the marketplace in terms of overall marketing strategy, consumer strategy, media strategy and so on. With this accomplished, we are positioned to begin execution in all areas—media, promotion, creative.

I would like to interject a comment relative to the nature f the advertising business itself. You know, we deal with ork that is highly visible to the public—that is the advertising hich appears on the air or in print. But a major part of our ork is not visible at all—the problem solving that takes place efore an ad is created; the statistical analysis of the usiness; the understanding of the market; the targeting of the ecific problem; and the development of a strategy for solving that problem.

People outside the business don't have an opportunity to ow about the hours of hard work that these tasks represent. ey see only the expression of that work—the visible part, e ads themselves—and that's unfortunate, because there's a more to the business of advertising.

That's true, there's still a certain mystique about our work—as though we have a unique ability to turn dreams into reality. We deal with facts as we find them, and do the best possible job we can to translate what we discover about our clients' problems into meaningful advertising.

Bert Neufeld, *vice-president:* ***"...whether it's funny or not, it is related to the product and serves to advance the message."***

It is becoming apparent that considerable work is mpleted before a marketing strategy is developed. What is time span between the initial acceptance of a new ount and the beginning of the actual creative work?

It varies tremendously, depending on the nature of the blem. It might be as little as a month or as much as e months.

Of course, we are in constant communication with the nt from the outset. We seek to develop a working relation- with clients, gaining mutual understanding of problems requirements.

At Wells, Rich, Greene a campaign can be developed e quickly than at other agencies for the simple reason that ave fewer echelons of people to go through for approval re presenting the advertising to the client. We have a nct client rapport, in that he knows who is working on his unt and who he can call upon for answers. In short, we're standing right next to the client with no barriers between us and his advertising.

Jeffrey Frey *"...It's the professionalism, the leanness...the lack of mystery...You know where you stand."*

In the developmental stages of a new campaign, what is the relationship, within the agency, between the account and creative groups?

Very close indeed.

Would you say closer than in other agencies?

It's a very close liaison. Our work is to solve a client's problem, and we use the strengths of our people where we find them. The creative group won't turn down a good idea from an account executive.

And that works the other way too. Here, creative people are business people as well. They know about distribution problems and marketing problems, so that there is an overlapping of effort, and people work more closely together.

Robert Wolfe *"...I think there is still plenty of room for entertaining, but relevant advertising..."*

Is this interweaving of effort an unorthodox approach?

Yes. We operate a little bit differently than other agencies, where the strategies are formulated by the account and research people in conjunction with the client. At Wells, Rich, Greene we work with the creative people in developing a strategy, rather than say, "Well, now, here is a strategy; you guys execute it." They have an unusual knowledge of how a consumer will react to what's said about a product. You might say that what we develop is a team strategy.

It's important to realize that effective advertising is not created in a vacuum. The input comes from very many sources.

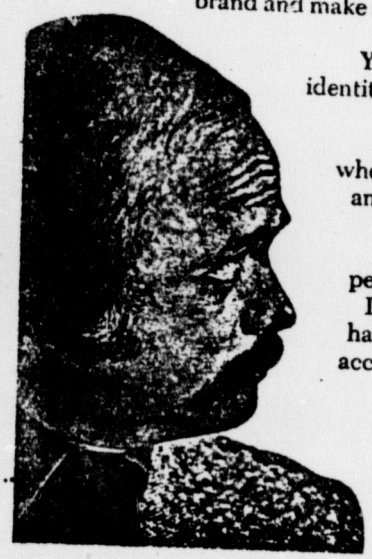
Essentially, what we have here is a healthy respect for one another's ideas—a respect for the individual contributions that go into our finished product.

Victor Lynn, *vice-president:* ***"...Yes, we practice very strict self-regulation, but unfortunately the public never has a chance to learn of it."***

With everyone joining the effort to solve a client's problem, you must frequently find several alternative creative solutions. What qualities do you look for in selecting the appropriate one?

Research findings, of course, provide a key as to what the problems are. But, research can only point the way to a solution. The proper interpretation of results—and knowing when to fly in the face of research—comes from experience.

An important consideration is whether or not the solution can be sustained—can become a long-term campaign. Another factor is personality—something that will be unique to the brand and make it stand out.



You want to give your client an identity. An ad should have a look.

Yes, it's like taking a person who has no name or identification and supplying him with a complete personality. You determine what image that person will have and develop it. I think that Wells, Rich, Greene has given a personality to all its accounts, but each one is different, as people are different.

George D'Amato, *vice-president:*
"...I like being able to take a job as far as I can, and here, not only am I allowed, I'm encouraged..."

What considerations are taken into account in determining the media mix?

The media plan is often an extension of the marketing plan. Once the targets are established and we know what creative material is available, we lay out a flow chart taking account of seasonal considerations and specific market developments. Of course, we also either include or discount a particular medium depending on whether it is suitable to the creative message.

In all cases, we suit the media mix, the creative output, and the marketing strategy to the needs of the potential customer.

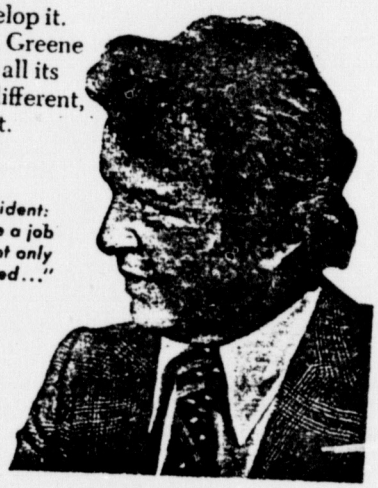
"...The most satisfying part...is the feeling that you have when you're talking to clients knowing that you have the best to offer and being able to say it sincerely."

Frequently we will see the same creative approach used in two separate commercial messages. One succeeds; the other fails dismally. What might be some of the reasons for this?

Actually there are many possible explanations, but I think that a key reason for a commercial's success is relevance. If you look at the creative output of Wells, Rich, Greene, you will notice that whatever the interaction in a commercial—whether two people are looking at each other or talking, whether it's funny or not— it is related to the product and serves to advance the message.

Another factor that can enhance, or detract from, a commercial is the way it is produced. At Wells, Rich, Greene the creative group is involved not only in the conception of the strategy and the development of the copy, but also in the production, shooting, and editing. This type of total involvement adds to the quality of the completed production.

Robert Igiel
"...A major part of our work is not visible at all—the problem-solving that takes place before an ad is created..."



There's a whole range of intangibles that can make the difference between a commercial that works and one that misses —for instance, how the actors read their lines, how you have the camera working, what kind of language you use, and so on.

Martin Stern, *senior vice-president:*
"We try to find out everything we can about the product. Often we add a new perspective to the information they already have."

How do you tell when a campaign is going stale?

By and large, campaigns are planned to go through certain phases and changes are pre-scheduled. This way, as you go from one phase to another, the campaign evolves and it's not a question creating totally new advertising.

You *do* try to measure the continuing effect of a campaign, but, of course, there is no precise way of telling its impact. Initially you test it for consumer response and then you test again at intervals of several months. A trend should become apparent from these tests which will give an indication rather than an exact measurement.

William McGivney, *vice-president:*
"...we translate what we discover about our clients' problems into meaningful advertising."

Is there, then, any precise way of tracing a boost in a products sales to advertising? Couldn't a sales upturn be coincidental or seasonal or related to consumer buying patterns generall·

We know that advertising makes a very significant contribution to improving sales, but no one has ever proved the extent of that contribution. It's a key ingredient . . . it's crucial, and that's what we concentrate on.

It can be measurable in certain instances, particularly when ve are dealing with a new product. No one has ever heard of it efore, and the only way that people learn about it is through dvertising. In such a case, the sales result can be directly aced to the advertising.

In most situations, owever, there is no recise way that you an establish the elationship etween advertising nd sales. But, ithout being bsolutely specific out it, you can ake some very rong generaliza- ns, and you can t your marketing e on it. For exam- e, if a product s a healthy market awareness and if the advertising creates proper atmosphere, communicating what that product really you can just bet that, ove. the long term, it will enjoy vital es growth, regardless of the competitive situation.

u do your own work instead ervising someone else who t and having to be responsible at he does."

At the beginning of our talk, Wells, Rich, Greene was described as a problem solving agency, and that is an advantage in tracing sales because our clients don't come to us unless they are making an across-the-board commitment to improving ir competitive position. They may upgrade the product, design the packaging, streamline the distribution system. Whatever we do up front with good advertising reflects what's been going on in the background.

What would you say is the single most satisfying aspect of working at Wells, Rich, Greene?

I think it is the competitive creative challenge. Creative people—and there are only very creative people at Wells—are egotistical in the sense that they always want to do outstanding work. Here, the level of excellence is so high that you can find that you want to work harder because you're aiming high.

I like being able to take a job as far as I can, and here, not only am I allowed to do that, I am encouraged to.

Murray Jacobs, *vice-president:*
"...WRG has given a personality to all its accounts, but each one is different, as people are different."

Charles Ashby, *vice-president:*
"...a campaign can be developed more quickly...we have fewer echelons of people to go through..."

It's knowing that you are responsible for yourself.

I think it's because the creative people here are treated as adults rather than as spoiled children. Our views are listened to and our opinions are valued as much as anyone else's.

It's the professionalism, the leanness, the maturity of the people, the lack of politics and committees and mystery. At Wells, Rich, Greene, you know where you stand.

I think it is the satisfaction of seeing a problem through from beginning to end. It is the lack of committees and review boards so that, on a daily basis, you have to find your own answers to questions.

Harold Singer, *vice-president:*
"Essentially, what we have here is a healthy respect for one another's ideas..."

Wells, Rich, Greene, Inc.

Statement of consolidated income

For the two years ended October 31, 1971

	1971	1970
Gross billings (Note 1)	$108,008,000	$ 91,589,000
Revenues		
Commissions and service fees (Note 1)	$ 16,193,095	$ 13,731,538
Other income—net (Note 3)	56,081	188,914
Total revenues	16,249,176	13,920,452
Expenses		
Salaries and employee benefits	5,725,535	6,284,420
Other office and general expense	3,501,266	2,806,630
Depreciation and amortization (Note 2)	323,933	221,560
Amortization of deferred expenses (Note 4)	644,279	461,581
Total expenses	10,195,013	9,774,191
Income before income taxes	6,054,163	4,146,261
Income taxes (Note 5)	3,435,157	2,167,791
Net income	$ 2,619,006	$ 1,978,470
Net income per share of common stock (Note 9)	$1.66	$1.25

See notes to consolidated financial statements.

Wells, Rich, Greene, Inc.

Statement of changes in consolidated financial position

For the two years ended October 31, 1971

	1971	1970
Funds provided		
From operations:		
Net income	$2,619,006	$1,978,470
Depreciation and amortization of property	323,933	221,560
Amortization of deferred compensation expense	163,481	202,375
Amortization of deferred costs of advertising and product development services	644,279	461,581
Amortization of investments in oil and gas properties, etc.	115,193	71,494
Increase in deferred income taxes and deferred compensation	196,830	112,991
Total from operations	4,062,722	3,048,471
Sale of Common Stock	40,241	2,450
Other	56,705	
Total	$4,159,668	$3,050,921
Funds applied		
Cash dividends	$ 946,084	
Expenditures for property	198,410	$1,349,371
Investments in oil and gas properties, etc.	61,844	616,640
Deferred costs of advertising and product development services	812,844	506,611
Motion picture joint venture, scripts, etc.	1,107,780	333,396
Common stock purchased	10,256	76,739
Other		83,261
Increase in working capital (Note 11)	1,022,450	84,903
Total	$4,159,668	$3,050,921

See notes to consolidated financial statements.

Wells, Rich, Greene, Inc.

Statement of changes in stockholders' equity

For the two years ended October 31, 1971

	Common Stock	Common Stock in Treasury	Capital in Excess of Par Value	Retained Earnings
Balance, November 1, 1969	$1,582,200	$ (11,925)	$1,911,630	$2,917,589
Net income				1,978,470
Common stock sold under incentive stock purchase plan (Note 7)	500		5,625	
Common stock purchased for retirement (Note 7)	(600)		(7,810)	
Common stock purchased for treasury—6,150 shares		(68,329)		
Balance, October 31, 1970	1,582,100	(80,254)	1,909,445	4,896,359
Net income				2,619,006
Cash dividends ($.60 per share)				(946,084)
Common stock sold under incentive stock purchase plan (Note 7)	3,500		67,368	
Stock options exercised (Note 7)	1,021		10,617	
Common stock purchased for treasury—500 shares		(10,256)		
Balance, October 31, 1971	$1,586,621	$ (90,510)	$1,987,428	$6,569,281

See notes to consolidated financial statements.

lotes to consolidated financial statements

Principles of consolidation and accounting for revenues

The accompanying financial statements include the perations of the Company and its subsidiaries. The perations of the foreign subsidiary and the foreign oper- ions of the domestic subsidiaries have been translated to United States dollars at appropriate exchange rates. oreign operations when considered in the aggregate are t significant.

"Revenues from Commissions and Service Fees" repre- nt commissions earned from advertising placed with various forms of media, production commissions billed or accrued on expenditures incurred for clients, and fees derived from miscellaneous services. In accordance with prevailing industry practice, "Gross Billings" are included for statistical purposes and are calculated by multiplying "Revenues From Commissions and Service Fees" by 6.67 since these revenues generally amount to 15% of such billings.

2. Depreciation and amortization

Depreciation is provided on furniture and equipment (except paintings and art objects, which are not depreci-

ated) on a straight-line basis over the estimated useful life of the assets. Leasehold costs are amortized on a straight-line basis over the shorter of the term of the related leases or their estimated useful lives.

3. Investment in oil and gas properties, etc.

The Company has entered into two agreements whereby funds of Wells, Rich, Greene, Inc. are invested in various oil and gas properties. The Company has adopted the policy of capitalizing all expenditures (intangible drilling and development costs, lease costs and lease and well equipment) relating to the purchase of such undivided interests, and is charging them to operations by provisions for amortization on an overall unit-of-production basis. Other income includes $69,000 in 1971 and $109,000 in 1970 of income from oil and gas production on the properties after deductions of $163,000 and $71,000, respectively, of amortization and other costs relating thereto. Based on the reports received from the companies managing the investments, the estimated recoverable reserves, realizable over a period of years, on the properties held on October 31, 1971 and 1970 had a current gross sales value of $3,824,000 and $4,355,000, respectively.

In August 1971, King Resources Company through whom the Company has purchased undivided interests in eleven oil and gas leases consented to reorganization proceedings under Chapter X of the Federal Bankruptcy Act. The Company has been advised by special counsel that based on the facts known to such counsel and based on the laws applicable thereto, a Trustee for King Resources Company in bankruptcy could not successfully prevail in an action to recover the oil and gas interests or set aside the respective assignments thereof, subject only to the uncertainties of any litigation where findings of fact are involved. Such counsel is also of the opinion that adverse findings of fact in this instance are very remote.

4. Deferred costs of advertising and product development services

During the period immediately following the Company's appointment as advertising agency by a new client and before media billing commences (generally three months), the Company devotes substantial time and expense to a study of the client's products, markets, objectives, and media plans and to the creation of an advertising strategy including an initial campaign. Apart from fees received to reimburse the Company for a portion of these expenses, no revenue is expected to be obtained until the start of media billing. The Company, therefore, follows the policy of deferring these initial period costs plus related overhead, less fees, if any, applicable thereto and amortizing them on a straight-line basis over a thirty-six month period beginning with the month of initial media billing, with a small portion of such net costs, estimated as attributable to the initial campaign, being amortized in a like manner over an eighteen-month period.

Similarly, when a client requests services to develop marketing and other promotion ideas for new products, the costs of which are recoverable only against billing as such products are advertised, the Company defers the net costs and overhead relating to these development services and amortizes them on a straight-line basis over a thirty-six month period beginning when media billing commences.

Any unamortized deferred costs attributable to clients or clients' products for which the Company's advertising services are terminated are written off against commissions received during the final months of media billing (generally three months) during which period expenses attributable to the client are customarily reduced. Furthermore, if the level of media billings for a client or product subsequently declines to such an extent that all or a portion of the unamortized deferred costs applicable thereto cannot reasonably be expected to be recovered from related revenues from commissions and service fees, such portion of the unamortized deferred costs is charged to operations during the fiscal year in which such decline in media billings occur.

The amounts of costs deferred before amortization during the years ended October 31, 1971 and 1970 were $812,844 and $506,611, respectively. At October 31, 1971 and 1970, unamortized balances of such deferred costs were as follows:

	October 31	
	1971	1970
Advertising service costs—new clients (including $7,135 at October 31, 1971 and $8,911 at October 31, 1970 attributed to initial campaigns)	$ 451,893	$ 382,841
Development service costs—new products (principally relating to products being advertised or with agreed initial media billing dates)	871,913	772,397
Total	$1,323,806	$1,155,241

5. Income taxes

For purposes of Federal and state income taxes, allowance for depreciation and amortization of property is deducted on an accelerated basis, and deferred costs of advertising and product development services are deducted during the year incurred. See Notes 2 and 4 for accounting for these items for financial reporting purposes. Tax deferrals resulting principally from such timing differences have been charged against income and credited to deferred income taxes as follows:

	1971	1970
Federal	$ 78,373	$225,160
State and other	$ 57,251	$ 64,973

Intangible drilling and development costs for both productive and non-productive oil and gas wells, which are capitalized for financial accounting purposes, are deducted for income tax purposes during the year incurred. No deferred taxes have been provided in 1970 on approximately $278,000 of such costs since, in the opinion of management, these costs are not in excess of the estimated future tax deductions for depletion which will be realized on the recovery of reserves from the applicable properties. The tax effect of such policy increased consolidated net income for 1970 by approximately $150,000 ($.10 a share). No intangible drilling and development costs were incurred in 1971.

6. Motion picture joint venture, scripts, etc.

In 1969, an 80%-owned subsidiary was formed for producing, among other things, films for the theatre and television. During 1970, the subsidiary completed one motion picture script at an aggregate cost of approximately $232,000, principally salaries and general overhead costs. Such script was assigned to a joint venture organized with Jack L. Warner to produce and exploit a motion picture based thereon. During 1971, the subsidiary made production advances to the joint venture and incurred additional salary and general overhead costs attributable to the motion picture and other theatrical productions aggregating approximately $1,100,000 which have been capitalized. Production of the motion picture is close to completion and the related film is expected to be released for exhibition in 1972.

The cost of the Company's investment in the joint venture and the deferred costs attributable to the aforementioned motion picture and the scripts and other productions, will be amortized against the net revenues expected to be realized from the distribution and exhibition of the related productions.

7. Stock purchase plans

(a) Stock Option Plan—During the year ended October 31, 1970 the Company had a Stock Option Plan under which qualified options could be granted to key employees of the Company to purchase up to a total of 85,000 shares of Common Stock. The option price of options granted under the Plan was in each case 100% of the fair market value of the Common Stock on the date of grant. No option was exercisable in less than one year from the date of grant, and all options expire five years after the date on which granted. Upon exercise of the options, the par value of the shares issued is credited to the common stock account and the excess of the option price over the par value is credited to capital in excess of par value. No charges to income were made with respect to options granted under this Plan.

On March 10, 1971, the Plan was amended to provide for the granting of qualified options, non-qualified options or tandem options (a combination of both) at the discretion of the Compensation Committee. Non-qualified options will be granted at not less than 85% of the fair market value of the Common Stock on the date of grant and must be exercised within ten years from such date. All options granted under the amended Plan may not be exercised for a period of six months from the date of grant. Also, under the amended Plan, payment for shares purchased upon the exercise of options may, at the discretion of the Committee, be made in installments, provided that the full option price must be paid by the end of ten years from the date of exercise.

The amended Plan provides that a total of 335,000 shares of Common Stock (subject to adjustment for stock splits, stock dividends or any similar change affecting the Common Stock) are reserved for issuance pursuant to options. During the year ended October 31, 1971, the Company granted the Chief Executive Officer a non-qualified option for 150,000 shares, and tandem options to various employees to purchase 102,250 shares at a price equal to at least 100% of the fair value at the date of grant.

A summary of changes in outstanding options during 1970 and 1971 is as follows:

	Number of Shares Under Option	Aggregate Option Price
Outstanding, November 1, 1969	72,025	$1,086,615
Options Granted	31,150	249,881
Options Cancelled	(20,700)	(290,563)
Outstanding, October 31, 1970	82,475	1,045,931
Options Granted	252,416	5,173,449
Options Cancelled	(2,918)	(31,305)
Options Exercised	(1,021)	(11,638)
Outstanding, October 31, 1971	330,952	$6,176,437

At October 31, 1971 and 1970, options as to 3,027 shares and 2,525 shares, respectively, were available for grant under the Plan.

On January 12, 1972, the Board of Directors amended this Plan (subject to the approval of shareholders) by increasing the aggregate number of shares which may be issued pursuant to options granted under the Plan from 335,000 shares to 363,750 shares of the Company's Common Stock.

(b) Incentive Stock Purchase Plan—Under the Company's Incentive Stock Purchase Plan, key employees of the Company and its subsidiaries may subscribe to a total of 85,000 shares of Common Stock. The purchase price as to the shares made available to an employee under the Plan shall be equal to the greater of either (i) 40% of the fair market value of the shares of Common Stock on the business day immediately preceding the date an employee is given the right to purchase such shares, or (ii) the consolidated book value of a share of Common Stock as of the end of the fiscal year preceding such date. The Committee which administers the Plan is authorized to impose restrictions as to the disposition of the shares purchased by employees under this Plan which restrictions lapse in annual installments.

During the year ended October 31, 1970, the Company granted an employee rights to purchase 500 shares at a subscription price of $4.90 per share, and during the year ended October 31, 1971 the Company granted five employees rights to purchase 3,500 shares under this Plan at a subscription price of $8.05 per share. The difference between the aggregate subscription price and the fair value on the date of grant of the aforementioned shares was charged to deferred compensation expense and is being written off to operations over a five-year period commencing the January 15th subsequent to date of grant as restrictions lapse on the applicable stock.

During the years ended October 31, 1971 and 1970, the Company repurchased 400 and 600 shares, respectively, previously issued under this Plan. On October 31, 1971 and 1970, 400 and 3,500 shares, respectively, were available for grant under the Plan.

8. Executive incentive plan

The Plan, adopted in August 1968 and amended in March 1971, provides for the crediting of 10% of the net earnings from operations of the Company and its consolidated subsidiaries before taxes to an annual fund which is available in whole or in part for awards to key employees. The Plan calls for an annual award to the Company's

Chief Executive Officer equal to 25% of the annual fund and an award to any employee who has an employment agreement, approved by the Board of Directors, that provides for such an award. The Committee administering the Plan determines the other employees eligible for awards and the amounts of such awards, if any. The award to any employee in any year may not exceed the amount of his compensation (including deferred compensation) for that year. Subject to the discretion of the Committee, an employee may elect to defer receipt of his award. Contributions to the Plan for such executive incentive compensation amounted to $181,000 in 1971 and $122,500 in 1970.

9. Net income per share of common stock

Net income per share of Common Stock is computed by dividing net income by the weighted average number of shares of Common Stock outstanding in each year. Stock options and the incentive stock purchase arrangements have not been included in such weighted average in either year because they were either not dilutive or their effect insignificant.

10. Dividends on common stock

The Company has paid or declared cash dividends totaling $.60 per share in 1971. On January 12, 1972, the Board of Directors declared a quarterly cash dividend of $.15 per share payable February 10, 1972.

11. Changes in working capital

	1971	1970
Current assets:		
Cash	$ 626,002	$ 874,495
Marketable securities	(669,349)	424,233
Accounts receivable	562,523	4,412,952
Billable production expenditures	44,397	123,187
Prepaid expenses	49,644	(22,607)
Increase in current assets	613,217	5,812,260
Current liabilities:		
Accrued taxes	(710,568)	1,230,122
Accounts payable	(19,984)	4,582,747
Other accrued expenses	84,473	(135,512)
Dividends payable	236,846	
Increase (decrease) in current liabilities	(409,233)	5,727,357
Total increase	$1,022,450	$ 84,903

12. Commitments and contingent liabilities

The Company and one subsidiary have entered into employment agreements with nine key employees (including the Chief Executive Officer), providing for basic aggregate salaries of $918,000 per annum. Under these contracts, the Chief Executive Officer and five other employees agree to act as consultants to the Company for specified periods following their active employment for which services they will receive aggregate consulting fees of $750,000 per annum for the first two years and $732,000 per annum thereafter. The agreement with the Chief Executive Officer is for twelve years commencing May 1, 1969 and the specified consulting term of her employment contract is an additional twelve-year period following her active employment. The Chief Executive Officer shall also receive 25% of the funds made available annually for distribution to employees under the Company's Executive Incentive Plan, which percentage shall not result in an award in excess of her compensation for the plan year for which the award is made.

Under the aforementioned employment contracts the Company will also pay the employees' designated beneficiaries an aggregate of $3,200,000, in the event of their deaths. The Company is insured for its liabilities under these contracts. The Company has agreed to pay four of its employees deferred compensation aggregating $862,000 at specified dates stated in their respective contracts. Cumulative deferred compensation amounted to approximately $225,000 at October 31, 1971 and $164,000 at October 31, 1970. The Company has agreed to use its best efforts in obtaining authorization to issue additional options to 4 employees aggregating 28,750 shares.

The Company and its subsidiaries lease their present office facilities under long-term leases for an aggregate minimum annual rental of $697,000 under agreements expiring at various dates through October 31, 1983.

The Company and American Motors, Inc. are defendants in litigation instituted on January 19, 1970 in the Federal District Court for the Southern District of Michigan. In this suit, an individual asserts an unliquidated claim for damages based on a cause of action which alleges copyright infringement and unfair competition. In the opinion of special counsel, the claim is without merit. In any event, the Company will not incur any loss for the claim alleged in such suit since the Company's insurance carrier has advised the Company that its liability policy covers this type of claim.

Accountants' opinion

To the Stockholders and Board of Directors of Wells, Rich, Greene, Inc.:

We have examined the consolidated balance sheet of Wells, Rich, Greene, Inc. and subsidiary companies as of October 31, 1971 and 1970 and the related statements of consolidated income, changes in stockholders' equity, and changes in consolidated financial position for the two years ended October 31, 1971. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, subject to the realization of the motion picture joint venture costs as explained in Note 6, such financial statements present fairly the financial position of the companies at October 31, 1971 and 1970 and the results of their operations and changes in their financial position for the two years ended October 31, 1971, in conformity with generally accepted accounting principles applied on a consistent basis.

Haskins & Sells

New York, New York
January 12, 1972

EXHIBIT 10

WRG Notice of Annual Meeting Dated January 26, 1972, and Proxy Statement

Wells, Rich, Greene, Inc.

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

The Annual Meeting of Stockholders of Wells, Rich, Greene, Inc. will be held at Morgan Guaranty Hall, on the 28th Floor of 15 Broad Street, New York City, on Wednesday, March 8, 1972, at 2 P.M., local time, for the following purposes:

1. To elect nine directors;

2. To consider and take action upon a proposal (designated as Proposal 1 in the accompanying Proxy Statement) to approve an amendment increasing the number of shares available for options under the Stock Option Plan;

3. To consider and take action upon a proposal (designated as Proposal 2 in the accompanying Proxy Statement) to ratify the appointment by the Board of Directors of Haskins & Sells as auditors; and

4. To transact such other business as may properly come before the meeting or any adjournment or adjournments thereof.

Only stockholders of record at the close of business on January 24, 1972, will be entitled to notice of, and to vote at, such meeting.

By Order of the Board of Directors,

FREDERICK L. JACOBS
Secretary

January 26, 1972

YOUR VOTE IS IMPORTANT

IT IS IMPORTANT THAT YOUR SHARES BE REPRESENTED AT THIS MEETING. IF YOU DO NOT EXPECT TO BE PRESENT IN PERSON AT THE MEETING, YOU ARE REQUESTED TO DATE AND SIGN THE ENCLOSED PROXY AND RETURN IT AT YOUR EARLIEST CONVENIENCE.

Wells, Rich, Greene, Inc.

PROXY STATEMENT

This Proxy Statement is furnished in connection with the solicitation by the management of Wells, Rich, Greene, Inc. (the "Company") of proxies to be voted at the 1972 Annual Meeting of Stockholders of the Company. The Company's Annual Report for the fiscal year ended October 31, 1971 is enclosed.

Only stockholders of record at the close of business on January 24, 1972 will be entitled to vote at the meeting. Any stockholder giving a proxy has the power to revoke it at any time before it is voted.

As of January 24, 1972, the Company had outstanding 1,593,270 shares of Common Stock, which is its only voting security. Each share is entitled to one vote. On that date, Mary Wells Lawrence, Chairman of the Board and Chief Executive Officer, was the beneficial owner of 100,000 shares of Common Stock, all of which were held of record and which represented 6.28% of the total shares outstanding. Mrs. Lawrence was also the holder of an option granted pursuant to the Company's Stock Option Plan to purchase 150,000 shares of Common Stock at $20.50 per share. To the knowledge of management, as of January 24, 1972, no person owned of record or beneficially more than 10% of the outstanding shares of Common Stock.

ELECTION OF DIRECTORS

Nine directors are to be elected at the Annual Meeting to serve for the ensuing year and until their successors shall have been elected and shall have qualified. The accompanying proxy will be voted for the election as directors of the nominees named below unless a contrary intention is indicated. All of the nominees are presently directors of the Company and were elected at the 1971 Annual Meeting of Stockholders. If any nominee should become unavailable, which the management does not expect, it is the intention of the persons named in the enclosed form of proxy to vote the proxy for the nomination and election of such other person as the Board of Directors may designate.

The following table sets forth certain information regarding each of the nominees, including the amount of Common Stock of the Company beneficially owned, directly or indirectly, by each nominee as of the close of business on January 12, 1972.

Name	Principal Occupation or Employment and All Offices Presently Held with the Company	Has Served as a Director Since	Shares of the Company's Common Stock Beneficially Owned
Mary Wells Lawrence	Chairman of the Board and Chief Executive Officer	1966	100,000
Charles Moss	President	1970	18,750
Richard T. O'Reilly	Executive Vice President	1970	15,000
Frank G. Colnar	Senior Vice President—Financial Planning	1969	12,500

Name	Principal Occupation or Employment and All Offices Presently Held with the Company	Has Served as a Director Since	Shares of the Company's Common Stock Beneficially Owned
Frederick L. Jacobs	Senior Vice President—Administration, Secretary and Treasurer	1968	18,750
Stewart Greene	Art Director and Consultant to Chairman—Special Projects	1966	100,000
Arnold M. Grant	Attorney	1968	7,900
Troy V. Post	Investments	1968	5,000
Emilio Pucci	Designer, Member of Italian Parliament	1968	—

Remuneration of Directors and Officers

With respect to persons who were directors or officers of the Company at any time during the fiscal year ended October 31, 1971, the following information is given for such year for (1) each director of the Company whose aggregate direct remuneration paid by the Company and its subsidiaries exceeded $30,000, and each of the three highest paid officers of the Company whose aggregate direct remuneration exceeded that amount, and (2) all directors and officers as a group.

Name of Individual or Identity of Group	Capacity in Which Remuneration Was Received(1)	Salaries	Current Awards Under Executive Incentive Plan(2)
Mary Wells Lawrence (3) ...	President and Chief Executive Officer(4)	$ 225,000(5)	$155,891
Stewart Greene(3)	Executive Vice President(4)	108,013(5)	25,635
Frank G. Colnar(3)	Senior Vice President—Financial Planning	85,000(6)	—
Charles Moss(3)	Senior Vice President—Creative Director(4)	100,000	—
Richard T. O'Reilly(3)	Senior Vice President—Account Services(4)	98,334(6)	—
Frederick L. Jacobs(3)	Senior Vice President—Administration, Secretary and Treasurer	85,000(6)	—
All directors and officers as a group (32 persons including those shown above)(7) ...		$1,764,729(3)(6)	$181,526

(1) No director received any remuneration for services as a director while also serving as an officer of the Company.

(2) Paid in 1972 with respect to services rendered in the fiscal year ended October 31, 1971. The Company's Executive Incentive Plan provides for the crediting of 10% of consolidated net earnings from operations of the Company and its subsidiaries to an annual fund which is available for awards to key employees. Any portion of consolidated net earnings so credited for any year which is not used for awards for that year becomes available for general corporate purposes. (Since the inception of this plan, the sum of $1,342,160 has become available from the annual fund for such purposes.) The plan provides for an annual award to the Company's chief executive officer equal to 25% of the annual fund, for awards pursuant to employment agreements, and for awards to other eligible employees as determined by the

Compensation Committee. However, the award to any employee in any year may not exceed the amount of such employee's compensation for that year. Subject to the discretion of the Committee, an employee may elect to defer receipt of his award until after termination of his employment with the Company. There have only been awards for the last three fiscal years under this plan. Mrs. Lawrence received an award for fiscal 1969 of $77,566 and for fiscal 1970 of $100,000. Mr. Greene received an award for fiscal 1969 of $15,513 and for fiscal 1970 of $20,417. No other awards have been made under this plan.

(3) See information on employment agreements of Mrs. Lawrence, Messrs. Greene, Colnar, Moss, O'Reilly and Jacobs and another officer set forth below.

(4) On October 20, 1971 the Board of Directors elected Mrs. Lawrence as Chairman of the Board and Chief Executive Officer, Mr. Moss as President and Mr. O'Reilly as Executive Vice President. Mr. Greene resigned as Executive Vice President but continues as a director.

(5) Pursuant to their employment agreements, Mrs. Lawrence and Mr. Greene have also been credited with deferred compensation of $30,000 and $20,559, respectively, with respect to services during the fiscal year ended October 31, 1971.

(6) The amounts shown include a bonus of $15,000 each to both Messrs. Colnar and Jacobs. For fiscal 1970, a bonus of $10,000 each was paid to Messrs. Colnar and O'Reilly. The amounts shown do not include $47,500, $77,058 and $142,974 which the Company will deduct for Federal income tax purposes as compensation paid to Messrs. Colnar and O'Reilly and all directors and officers as a group, respectively, during the fiscal year ended October 31, 1971 as a result of the lapse of restrictions on shares of Common Stock purchased under the Company's Incentive Stock Purchase Plan (see information on grants under the Incentive Stock Purchase Plan set forth under "Stock Options"). The Company will also deduct $14,107 as compensation paid to all other employees during the same period as a result of the lapse of such restrictions. Since the inception of this plan in 1968 (but not including fiscal 1971), the Company has deducted the following amounts as compensation paid to the above-named persons and groups: Mr. Colnar, $71,664; Mr. O'Reilly, $36,459; all directors and officers as a group, $130,767; and all other employees, $95,858.

The Company's Profit Sharing Plan was terminated in January 1971. No contributions were made to the plan in either fiscal 1970 or 1971. The total fund under the plan was distributed to participating employees in accordance with their respective interests as follows: Mr. Colnar, $2,712; Mr. Moss, $3,579; Mr. Jacobs, $2,928; all directors and officers as a group, $16,114; and all other employees, $129,799.

(7) Includes 22 Vice Presidents who occupied important positions as heads of departments or had important client responsibilities during the last fiscal year but who did not perform the corporate management functions usually associated with such title.

Arnold M. Grant is providing legal services to a joint venture to which WRG/Dragoti, Ltd., a subsidiary of the Company, is a party. The venture is engaged in the production of a motion picture. He will be paid for such services and will also receive 10% of the profits of the joint venture for bringing the parties together and for assisting in the formation of the joint venture. Mr. Grant has received no compensation from the joint venture to the date hereof.

The employment agreement between Mary Wells Lawrence and the Company has been modified effective May 1, 1971. As an inducement to accept the modified agreement, Mrs. Lawrence received a stock option to purchase 150,000 shares at a price of $20.50 per share from the shares made available for this purpose by the stockholders at the 1971 Annual Meeting. The principal modification was the extension of her active employment period from April 30, 1979 to April 30, 1981. Her basic salary remains at $225,000 per annum, plus deferred compensation at the rate of $30,000 per annum for each year of active employment, payable at specified dates stated

in her agreement. Under the modified agreement, Mrs. Lawrence also extends the period during which she agrees to act as a consultant for the Company from ten to twelve years following her period of active employment. She will receive the same consulting fee of $125,000 per annum (or $75,000 per annum if certain conditions are not met). If her services are terminated because she becomes disabled during the term of her employment, she will receive such consulting fee only for the number of years equal to the number of years performed under the agreement. The modified agreement continues the provision for the award to Mrs. Lawrence each year during the term of her employment of the greater of 25% of the annual fund under the Company's Executive Incentive Plan or the amount awarded to any other executive in such year under that plan, subject to the limitation that her award for any year may not exceed her compensation for that year. The $100,000 limitation on her award in the original agreement has been eliminated in her modified agreement. In the event of her death during the term of her employment, the Company will pay her estate the sum of $1,000,000 in twenty equal annual installments. The Company has insurance policies on Mrs. Lawrence's life in excess of that amount.

Stewart Greene entered into a five-year employment agreement with the Company that commenced on May 1, 1969. This agreement was amended effective September 1, 1971. The amended agreement adjusts the original agreement because Mr. Greene is presently devoting eight and one-half months a year to the Company's business. Accordingly the financial arrangements in the original agreement have been reduced proportionately. As amended, the agreement provides for a basic salary commencing September 1, 1971 of approximately $88,500 per annum, plus deferred compensation at the rate of $25,000 per annum from November 1, 1970 to August 31, 1971 and at the rate of approximately $17,700 per annum for each fiscal year or part of a fiscal year of active employment from September 1, 1971, payable commencing after the termination of his employment. Mr. Greene also agrees to act as a consultant for the Company for a period of an additional five years following his period of active employment, for which he shall receive a consulting fee at the rate of $75,000 per annum for the first two years, two months and two weeks of that period and thereafter to the end of the consulting period at the rate of approximately $53,000 per annum. If his services are terminated because he becomes disabled during the term of his employment, he will receive such consulting fee only for the number of years equal to the number of years performed under the agreement. The agreement also provides for the award to Mr. Greene for the fiscal year ended October 31, 1971 of 4.11% of the annual fund under the Company's Executive Incentive Plan and a minimum of 3.54% of the fund for each year remaining under his agreement. In the event of his death during the term of his employment, the Company will pay his estate approximately $708,000 in twenty equal annual installments. The Company has an insurance policy on Mr. Greene's life in that amount.

Charles Moss has entered into a ten-year employment agreement with the Company that commenced on November 1, 1971. His basic salary is $130,000 per annum, plus deferred compensation at the rate of $25,000 per annum for each year of active employment, payable commencing after the termination of his employment. Subject to approval of Proposal 1 by the stockholders, he will receive an option for 13,750 shares pursuant to the Company's Stock Option Plan. Mr. Moss also agrees to act as a consultant for the Company for a maximum period of ten years following his period of active employment. For these services, he will receive a consulting fee at the rate of $25,000 per annum. If his services are terminated because he becomes disabled during the term of his employment, Mr. Moss will receive disability payments from the Company's group disability plan. For the period during which such payments are made under the plan, the Company will pay him any additional amounts required to increase the total payments to

the rate of $62,500 per annum. The Company has a $500,000 insurance policy on his life, the proceeds of which shall be paid to his estate or his designee.

On November 1, 1971, the Company entered into individual employment agreements with Messrs. Colnar, O'Reilly and Jacobs, which expire on October 31, 1976. Each such agreement provides for service in their present respective executive capacities or such other position or positions as the Company's Board of Directors may determine, at their present annual salaries as follows: Mr. Colnar, $70,000; Mr. O'Reilly, $100,000; and Mr. Jacobs, $70,000. Subject to approval of Proposal 1 by the stockholders, each will receive an option to purchase 5,000 shares of the Company's Common Stock pursuant to the Company's Stock Option Plan. Each also agrees to act as a consultant for the Company for a maximum period of ten years following his period of active employment. For these services, each will receive a consulting fee at the rate of $10,000 per annum. The Company has also agreed to use its best efforts to obtain a $250,000 insurance policy on the life of each individual and to pay the proceeds from such policies to their respective estates or designees.

The Company has also entered into an employment agreement with an officer not named in the foregoing table which provides for annual compensation of $65,000 until May 1975, and an employment agreement with one other employee which provides for annual compensation of $70,000 a year until October 31, 1972. WRG/Dragoti, Ltd., a subsidiary of the Company, has entered into an employment agreement with one of its officers that provides for annual compensation of $30,000 until October 31, 1972.

Stock Options

The following table shows as to the persons named in the table under "Remuneration of Directors and Officers" above and all present directors and officers as a group (a) *options to be granted to Messrs. Moss, O'Reilly, Colnar and Jacobs if the Company's Stock Option Plan is amended as proposed (see "Amendment of Stock Option Plan")*, (b) options to purchase shares of Common Stock granted during the period from the organization of the Company through December 31, 1971, (c) the number of shares of Common Stock acquired during that period upon the exercise of options, (d) the number of shares of Common Stock sold during that period by any such persons who exercised options during the period, and (e) the number of shares subject to unexercised options held as of December 31, 1971.

	Mary Wells Lawrence	Charles Moss	Richard T. O'Reilly	Frank G. Colnar	Frederick L. Jacobs	All Present Directors and Officers as a Group
(a) Options to be granted:						
Number of shares	—	13,750	5,000	5,000	5,000	28,750
(b) Options granted through December 31, 1971:						
Number of shares:						
Qualified options(1)	—	10,000	10,000	—	—	49,475
Non-qualified options(2)	150,000	—	—	—	—	150,000
Tandem options(3)	—	7,500	7,500	7,500	7,500	75,900
Incentive Stock Purchase Plan options(4)	—	—	30,000	25,000	—	67,250
Total	150,000	17,500	47,500	32,500	7,500	342,625(5)
Average (weighted) option price per share	$20.50	$16.79	$10.00	$10.12	$20.50	$16.51

	Mary Wells Lawrence	Charles Moss	Richard T. O'Reilly	Frank G. Colnar	Frederick L. Jacobs	All Present Directors and Officers as a Group
Average (weighted) market price on date of grant	$19.88	$16.52	$15.31	$18.05	$19.88	$17.98
(c) Options exercised through December 31, 1971:						
Number of shares	—	—	30,000	25,000	—	67,850
Aggregate option price of options exercised	—	—	$171,240	$175,000	—	$433,690
Aggregate market value of shares acquired on date options exercised	—	—	$410,738	$553,125	—	$1,186,444
(d) Sale of shares through December, 31, 1971:						
Number of shares	—	—	15,000	12,500	—	32,260
(e) Options unexercised as of December 31, 1971:						
Number of shares	150,000	17,500	17,500	7,500	7,500	274,775
Average (weighted) option price per share	$20.50	$16.79	$17.36	$20.50	$20.50	$19.01

(1) These options are intended to be "qualified stock options" as defined in the Internal Revenue Code of 1954, as amended. They each have an option price equal to at least 100% of the fair market value of the stock subject to the option on the date of grant and must be exercised within five years from the date of grant. (For additional information, see "Amendment of Stock Option Plan".)

(2) These options are intended to be non-qualified stock options. They each have an option price equal to 100% of the fair market value of the stock subject to the option on the date of grant and must be exercised within ten years from the date of grant. (For additional information, see "Amendment of Stock Option Plan".)

(3) A tandem option consists of the simultaneous grant of an option intended to be a "qualified stock option" and a non-qualified option as to the same number of shares and on the same terms, except that the qualified option expires five years from the date of grant and the non-qualified option expires ten years from the date of grant. The exercise of all or part of either option results in a corresponding reduction in the other option.

(4) These options were granted pursuant to the Incentive Stock Purchase Plan. Under this plan, the option price is equal to the greater of 40% of the fair market value of the stock subject to option on the business day preceding the date of grant or consolidated book value at the end of the fiscal year immediately preceding the date of grant. Options may be exercised for a period of 90 days provided that the grantee is still an employee on the date of exercise. Shares purchased upon the exercise of options are subject to such terms and conditions as may be determined by the Compensation Committee, which terms and conditions include restrictions on sale and other disposition of the shares and a requirement that the shares be resold to the Company at their purchase price in the event of termination of employment under certain conditions or action considered detrimental to the business of the Company.

(5) During the period covered by the table, other employees were granted options covering 30,748 shares subject to the option price described in note (1) at an average (weighted) option price per share of $14.03; 25,850 shares subject to the option price described in note (3) at an average (weighted) option price per share of $20.50; and 17,350 shares subject to the option price described in note (4) at an average (weighted) option price per share of $6.58. Also options to purchase 1,721 shares described in note (1) were exercised by these employees at an aggregate market value on date of exercise of $34,549.

400 shares issued upon the exercise of options described in note (4) were repurchased by the Company. Options covering 29,852 shares subject to the option price described in note (1), 500 shares subject to the option price described in note (3) and 500 shares subject to the option price described in note (4) lapsed and are not included above.

AMENDMENT OF THE STOCK OPTION PLAN
(Proposal 1)

There will be presented to the meeting a proposal to approve an amendment to the Company's Stock Option Plan that would make 28,750 additional shares available for options. This amendment was adopted, subject to approval by the stockholders, by the Board of Directors on January 12, 1972. If the Plan is amended as proposed, Mr. Moss will receive an option to purchase 13,750 shares and Messrs. O'Reilly, Colnar and Jacobs will each receive an option to purchase 5,000 shares. (See information relating to employment agreements following the table under "Remuneration of Directors and Officers".) A copy of the amended Plan is included as an appendix to this Proxy Statement, to which reference is made for a full statement of its terms and provisions.

Originally adopted by the stockholders in August 1968 and amended by them in May 1969 and March 1971, the Plan provides for the granting of options that are intended to be "qualified stock options" as defined in the Internal Revenue Code of 1954 and non-qualified stock options. All qualified options are granted at not less than the fair market value of the Common Stock on the date of grant and all non-qualified options are granted at not less than 85% of such fair market value on the date of grant. The closing price of the Common Stock on the New York Stock Exchange was $25.25 per share on January 20, 1972. Non-qualified options must be exercised within ten years from the date of grant and qualified options must be exercised within five years from the date of grant.

A total of 335,000 shares has been authorized for issuance under the Plan. In the opinion of the Board of Directors, the Plan has contributed materially to the Company's success during the past years in securing and retaining the services of key personnel and has been an important source of added incentive to them. As of December 31, 1971, options to purchase 329,652 shares were outstanding under the Plan. Options for 2,321 shares had been exercised as of that date and only 3,027 shares remained as to which options could be granted (although shares may become available for the granting of future options to the extent such outstanding options expire or are terminated without having been exercised). In addition, only 400 shares remained available for options under the Company's Incentive Stock Purchase Plan (see the table under "Stock Options" for information concerning this plan). Since only a relatively small number of shares remains available under both plans, the Board of Directors is proposing that the Stock Option Plan be amended to make 28,750 additional shares available for options under that Plan.

The Plan is administered by a Compensation Committee of three members of the Board of Directors who are not eligible to participate in the Plan. The Committee presently consists of Messrs. Grant, Post and Pucci. In addition to determining which eligible employees are to be granted options and fixing the terms of the options in accordance with the Plan, the Committee also has the authority to determine (a) whether a particular option is to be qualified or non-qualified, (b) whether both qualified and non-qualified options are to be granted to a particular eligible employee, and (c) whether the exercise of all or part of any option granted may result in the reduction or termination of another option granted under the Plan.

The Plan provides that no option may be exercised earlier than six months from the date on which the option is granted. Payment for shares purchased upon the exercise of an option is made in full at the time of exercise, or, if the Committee so determines, may be made in installments as provided in a Stock Option Agreement evidencing the option. The option holder shall have full voting rights with respect to all shares issued pursuant to options, whether paid for in full or in installments. Dividends based on the percentage of the purchase price actually paid will be paid

to him. Certificates issued to the option holder to represent partly paid shares will be pledged to the Company as security for the unpaid balance of the option price.

The Plan also provides that options are non-transferable except that in the event of an option holder's death, his legal representative may exercise his option within twelve months after the date of death, as to shares immediately purchasable at the date of death. Option rights expire upon termination of employment for cause or through voluntary resignation, but may be exercised within three months after any other termination as to shares immediately purchasable on the date of such other termination.

Under the Internal Revenue Code as presently in effect, no income results upon either the grant of a qualified stock option or its exercise. However, the difference between the option price and the fair market value at the time of exercise generally constitutes a "tax preference item". If the option holder holds the stock purchased upon exercise of his qualified option for more than the three-year period beginning on the day after the transfer of the stock to him, any gain which the option holder recognizes upon the subsequent sale of the shares will be taxable as long-term capital gain. One-half of the option holder's net long-term capital gain for the taxable year will constitute a tax preference item. Under certain circumstances, tax preference items are subject to a tax of 10% and may diminish the favorable effect of the maximum tax rate on earned income. The Company will not be entitled to a deduction for Federal income tax purposes in connection with either the grant or the exercise of a qualified stock option where it is held as described above. However, if the option holder disposes of his shares within such three-year period, he will recognize as income, at the time of disposition, the excess of the fair market value of the shares at the date of exercise (or the amount realized on disposition, if less) over the option price. The Company will be entitled to a deduction in the amount of the income recognized by the option holder and at the same time.

No income results upon the grant of a non-qualified option. However, upon the exercise of such an option, the option holder recognizes income measured by the excess of the then fair market value of the shares over the option price, and the Company is entitled to a deduction in the same amount and at the same time.

The consideration received by the Company for the granting of options includes the inducement to the option holders to remain in the employ of the Company and to continue and increase their efforts for the Company's prosperity.

For information concerning the Company's other stock and incentive plans, see the table under "Remuneration of Directors and Officers" and note (2) thereto and the table under "Stock Options" and note (4) thereto.

The proposal to approve the amendment of the Stock Option Plan will be adopted if approved by the holders of a majority of the shares of Common Stock entitled to vote with respect to the proposal.

The Board of Directors recommends a vote "FOR" Proposal 1.

RATIFICATION OF APPOINTMENT OF AUDITORS
(Proposal 2)

The Board of Directors has appointed Haskins & Sells to audit the books of account of the Company for the fiscal year ending October 31, 1972. This firm has audited the Company's books since the latter's organization in 1966. The Company has been advised by Haskins & Sells that

neither the firm nor any of its partners has any financial interest, direct or indirect, in the Company or any of its subsidiaries or has had any connection during the past three years with the Company or any of its subsidiaries in the capacity of promoter, underwriter, voting trustee, director, officer or employee. Management will present to the meeting a proposal that the appointment of Haskins & Sells be ratified.

The proposal will be adopted if approved by the holders of a majority of the shares of Common Stock voting with respect to the proposal.

The Board of Directors recommends a vote "FOR" Proposal 2.

The management of the Company is not aware of any other matters that will come before the meeting, but if any other matters should properly come before the meeting, the persons named as proxies will vote the proxy in accordance with their best judgment.

The Company will bear the costs of the solicitation of proxies. In addition to the use of the mails, proxies may be solicited by officers, directors and regular employees of the Company personally, by telephone or by telegraph. The Company may pay brokers, nominees, fiduciaries and other custodians their reasonable fees and expenses for sending proxy materials to principals and obtaining their instructions.

By Order of the Board of Directors,

FREDERICK L. JACOBS
Secretary

January 26, 1972

APPENDIX

WELLS, RICH, GREENE, INC.

STOCK OPTION PLAN

1. Objectives

The objectives of this Stock Option Plan (the "Plan") are to enable Wells, Rich, Greene, Inc. (the "Agency") and its subsidiaries (as defined in Section 425(f) of the Internal Revenue Code of 1954, as amended) to attract and retain key employees of outstanding ability, to stimulate the efforts of such employees toward achievement of Agency objectives and to encourage the identification of their interests with those of the Agency's shareholders.

2. Administration

The Plan shall be administered by the Agency's Compensation Committee (the "Committee"), which shall consist of at least three directors, the majority of whom shall be directors who are not employees of the Agency. No member of the Committee shall be eligible to receive options.

The Committee may establish such rules and regulations appropriate for the administration of the Plan and make such determinations and take such action in connection with the Plan as it deems necessary, provided that the Committee may take action only upon the vote of a majority of the entire Committee.

The Committee's determinations and interpretations shall be final and binding upon all persons including the Agency, its shareholders and persons having any interest in options which may be granted under the Plan.

3. Eligibility

Key employees of the Agency or its subsidiaries, including officers (whether or not such employees are members of the Board of Directors of the Agency), shall be eligible to receive options under the Plan. Members of the Board of Directors of the Agency who are not officers or employees of the Agency or of any subsidiary are not eligible to receive options under the Plan.

4. Shares Subject to Option

The stock to be optioned under the Plan shall be shares of the Agency's common stock, and may be authorized but unissued stock or stock issued and held in the treasury of the Agency.

The aggregate number of shares which may be issued pursuant to options granted under the Plan shall not exceed 335,000 [*363,750 as proposed to be amended*], subject to adjustment under Section 11 of the Plan.

Shares not issued because of expiration or termination of an option shall be available for further option.

5. Granting of Options

The Committee may from time to time at its discretion, subject to the provisions of the Plan, determine those employees of the Agency or its subsidiaries to whom options shall be granted, whether the options granted shall be "qualified stock options" within the meaning of the Internal Revenue Code of 1954, as amended, or options which are not qualified options ("non-qualified

options"), the number of shares which may be issued subject to such options and the dates on which such options are to be granted.

Each option granted under the Plan shall be evidenced by a written Stock Option Agreement setting forth the terms upon which the option is granted.

6. Option Price

The price at which shares subject to a qualified option may be purchased shall not be less than 100% of fair market value on the date on which the option is granted, as such value is determined by the Committee. The price at which shares subject to a non-qualified option may be purchased shall not be less than 85% of fair market value on the date on which the option is granted, as such value is determined by the Committee.

7. Exercise of Option

Subject to the following provisions, all options shall be exercisable according to such terms and conditions as the Committee, in its discretion, may deem necessary or desirable:

A. All rights to exercise a qualified option shall expire not later than five years from the date on which the option is granted. All rights to exercise a non-qualified option shall expire not later than ten years from the date on which the option is granted.

B. No option or portion of an option shall be exercisable for a period of six months from date granted.

C. The exercise of all or part of an option granted under this Plan may result in the reduction or termination of another option granted under this Plan.

D. No qualified option granted under this Plan may be exercised prior to the time that there shall have been exercised in full, or shall have expired by reason of lapse of time, each qualified stock option and each restricted stock option (as defined in Section 424(b) of the Internal Revenue Code of 1954, as amended), granted at an earlier date to the same holder, to purchase (i) shares of common stock of the Agency at an option price higher than that specified in the qualified option in question; (ii) shares of stock of the Agency other than common stock; or (iii) shares of stock in a corporation which is a parent or subsidiary of the Agency (as defined in Section 425(f) of the Internal Revenue Code of 1954, as amended), or a predecessor of the Agency, its parent or subsidiaries. In such a case and provided that such later qualified option would otherwise be exercisable, then the exercise date of any installment of such earlier qualified option may be accelerated by the Committee to any date consented to by the option holder or the person or persons entitled to exercise the option under paragraph 10 of the Plan, which date shall not be earlier than six months from the date of grant of such qualified option.

E. Payment for shares purchased upon exercise of an option shall be made either in full or in installments, as shall be determined by the Committee and provided in the applicable Stock Option Agreement. If payment is made in installments, the option holder may, if the Committee so determines, be required to make a down payment in cash and in any event shall be required to deliver to the Agency his promissory installment note payable to the Agency for an amount equal to the total option price (or the difference between the total option price and the amount of any down payment). Such note shall bear interest as the Committee shall determine, but in any event at a rate not less than 4%. The option holder shall pay the principal of the note, together with interest thereon, as provided in such note and subject to such terms and conditions as may be

provided in the applicable Stock Option Agreement; provided, however, that in any event the entire amount of the total option price shall be due and payable by the end of ten years from the date of purchase. The option holder shall have full voting rights with respect to all shares issued pursuant to options granted under this Plan, whether paid for in full or in installments. Dividends on such partly paid shares (other than dividends in stock of the Agency) shall be declared and paid only upon the basis of the percentage of the total option price actually received thereon by the Agency. Certificates issued to represent partly paid shares shall be registered in the name of the option holder and shall, immediately upon issue, be delivered to the Agency, endorsed in blank by the option holder or accompanied by a separate stock power so endorsed, in pledge as security for the payment of the unpaid balance of the option price. Such certificates shall state thereon the total amount of the consideration to be paid therefor and the amount paid thereon.

F. The holder of an option shall, as such, not have any rights of a shareholder with respect to optioned shares.

8. Transferability of Options

An option shall not be transferable except by will or the laws of descent and distribution and an option may be exercised, during the optionee's lifetime, only by him.

9. Termination of Employment

Upon termination by the Agency or a subsidiary of an employee's employment, such employee, if he holds an option at the time of termination, may, at any time within three months after the date of termination but not later than the date of expiration of the option, exercise the option to the extent he was entitled to do so on the date of termination. Any options or portions of options of an employee who voluntarily terminates his employment, or whose employment is terminated by the Agency or a subsidiary for cause, shall terminate as of the date of termination of employment.

Nothing in the Plan or in any option granted under the Plan shall confer on any employee any right to continue in the employ of the Agency or its subsidiaries or affect the right of the Agency or the subsidiary by which he is employed to terminate his employment at any time.

10. Death of Employee

In the event of the death of an option holder, his option privileges shall apply to those shares which were immediately purchasable by him at the time of his death, and such privilege shall expire unless exercised by the executor or administrator of his estate or the person or persons who acquired the right to exercise the option by bequest or inheritance or by reason of his death at any time within one year after the date of death but not later than the expiration of the option.

11. Changes in Common Stock

In the event of a recapitalization, stock split, stock dividend, combination of shares, merger, consolidation, rights offering or any other change affecting the common stock of the Agency, an appropriate adjustment shall be made, in accordance with the applicable provisions of the Internal Revenue Code of 1954, as amended, and Regulations thereunder, in the number and kind of shares subject to options under the Plan in the aggregate or to any one employee and in the number, price and kind of shares covered by options previously granted under the Plan and unexercised.

12. Amendment or Discontinuance

The Board of Directors of the Agency may alter, suspend or discontinue the Plan, but may not, without the approval of the shareholders of the Agency, make any alteration which would (a) increase the aggregate number of shares subject to option under the Plan, except as provided in Section 11; (b) decrease the minimum option price; (c) permit any member of the Board of Directors of the Agency who is not an officer or employee of the Agency or a subsidiary, or any member of the Committee, become eligible for options under the Plan; or (d) extend the term of the Plan or the maximum period during which any option may be exercised. The Board of Directors may not revoke or alter, in a manner unfavorable to the holder, any outstanding option, without the consent of the holder.

13. Effective Date and Term of Plan

This amended Plan shall become effective on March 10, 1971. No option shall be granted pursuant to this Plan after July 31, 1978, but options may extend beyond that date in accordance with the provisions of the Plan.

EXHIBIT 11

WRG Notice of Annual Meeting Dated January 30, 1973, and Proxy Statement

Wells, Rich, Greene, Inc.

767 FIFTH AVENUE
NEW YORK, NEW YORK 10022
(212) 758-4300

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

The Annual Meeting of Stockholders of Wells, Rich, Greene, Inc. will be held at Morgan Guaranty Hall, on the 28th Floor of 15 Broad Street, New York City, on Thursday, March 1, 1973, at 2 P.M., local time, for the following purposes:

1. To elect thirteen directors;

2. To consider and take action upon a proposal to ratify the appointment by the Board of Directors of Haskins & Sells as auditors; and

3. To transact such other business as may properly come before the meeting or any adjournment or adjournments thereof.

Only stockholders of record at the close of business on January 19, 1973, will be entitled to notice of, and to vote at, such meeting.

By Order of the Board of Directors,

FREDERICK L. JACOBS
Secretary

January 30, 1973

YOUR VOTE IS IMPORTANT

IT IS IMPORTANT THAT YOUR SHARES BE REPRESENTED AT THIS MEETING. IF YOU DO NOT EXPECT TO BE PRESENT IN PERSON AT THE MEETING, YOU ARE REQUESTED TO DATE AND SIGN THE ENCLOSED PROXY AND RETURN IT AT YOUR EARLIEST CONVENIENCE.

January 30, 1973

Wells, Rich, Greene, Inc.

PROXY STATEMENT

This Proxy Statement is furnished in connection with the solicitation by the management of Wells, Rich, Greene, Inc. (the "Company") of proxies to be voted at the 1973 Annual Meeting of Stockholders of the Company. The address of the Company's principal executive office is 767 Fifth Avenue, New York, New York 10022, and the telephone number is (212) 758-4300. The Company's Annual Report for the fiscal year ended October 31, 1972 is enclosed.

Only stockholders of record at the close of business on January 19, 1973 will be entitled to vote at the meeting. Any stockholder giving a proxy has the power to revoke it at any time before it is voted.

As of January 19, 1973, the Company had outstanding 1,650,506 shares of Common Stock, which is its only voting security. Each share is entitled to one vote. On that date, Mary Wells Lawrence, Chairman of the Board and Chief Executive Officer, was the beneficial owner of 84,500 shares of Common Stock, all of which were held of record and which represented 5% of the total shares outstanding. Mrs. Lawrence was also the holder of an option granted pursuant to the Company's Stock Option Plan to purchase 150,000 shares of Common Stock at $20.50 per share. To the knowledge of management, as of January 19, 1973, no person owned of record or beneficially more than 10% of the outstanding shares of Common Stock.

ELECTION OF DIRECTORS

Thirteen directors are to be elected at the Annual Meeting to serve for the ensuing year and until their successors shall have been elected and shall have qualified. The Board of Directors has amended the By-Laws of the Company to provide for a board of not less than three nor more than fifteen directors. The By-Laws had previously limited the number of directors to ten. Pursuant to the By-Laws, the Board of Directors has fixed the number of directors at thirteen. The accompanying proxy will be voted for the election as directors of the nominees named below. All of the nominees are presently directors of the Company and, except for John V. Burns, Martin Stern, Stanley G. Dragoti and Warren J. Kratky, were elected at the 1972 Annual Meeting of Stockholders. If any nominee should become unavailable, which the management does not expect, it is the intention of the persons named in the enclosed form of proxy to vote the proxy for the nomination and election of such other person as the Board of Directors may designate.

The following table sets forth certain information regarding each of the nominees, including the amount of Common Stock of the Company beneficially owned, directly or indirectly, by each nominee as of the close of business on January 19, 1973.

Name	Principal Occupation or Employment and All Offices Presently Held with the Company	Has Served as a Director Since	Shares of the Company's Common Stock Beneficially Owned
Mary Wells Lawrence ...	Chairman of the Board and Chief Executive Officer	1966	84,500
Charles Moss	President	1970	18,750
Richard T. O'Reilly	Executive Vice President	1970	15,000

Name	Principal Occupation or Employment and All Offices Presently Held with the Company	Has Served as a Director Since	Shares of the Company's Common Stock Beneficially Owned
John V. Burns	Senior Vice President—Account Services	1973	2,500
Frank G. Colnar	Senior Vice President—Financial Planning	1969	10,700
Frederick L. Jacobs	Senior Vice President—Administration, Secretary and Treasurer	1968	18,750
Martin Stern	Senior Vice President—Sales Director	1973	6,250
Stewart Greene	Art Director and Consultant to Chairman—Special Projects	1966	100,000
Stanley G. Dragoti	President of WRG/Dragoti Ltd., a subsidiary of the Company	1973	6,100(1)
Warren J. Kratky	President of Gardner Advertising Company, Incorporated, a wholly-owned subsidiary of the Company	1973	6,000
Arnold M. Grant	Attorney	1968	7,900
Troy V. Post	Investments	1968	5,000
Emilio Pucci	Designer	1968	—

(1) Mr. Dragoti is the record and beneficial owner of 200 of the 1,000 shares of WRG/Dragoti Ltd. (The remainder is owned by the Company.)

John V. Burns joined the Company in 1967 after leaving his position as Assistant to the President of American Home Products.

Martin Stern has been employed by the Company since 1968. Prior thereto, he was Director of Research Operations at J. Walter Thompson.

Stanley G. Dragoti left his position as Art Director with Young & Rubicam to join the Company in 1967.

Warren J. Kratky joined Gardner Advertising Company, Incorporated in 1948 and held a number of positions with that company since that time. When the assets of Gardner Advertising Company, Incorporated were acquired by the Company on December 8, 1972, he was President. (See page 6 for a description of this acquisition.)

Remuneration of Directors and Officers

With respect to persons who were directors or officers of the Company at any time during the fiscal year ended October 31, 1972, the following information is given for such year for (1) each director of the Company whose aggregate direct remuneration paid by the Company and its subsidiaries exceeded $30,000, and each of the three highest paid officers of the Company whose aggregate direct remuneration exceeded that amount, and (2) all directors and officers as a group.

Name of Individual or Identity of Group	Capacity in Which Remuneration Was Received(1)	Salary	Current Award Under Executive Incentive Plan(2)
Mary Wells Lawrence(3)	Chairman and Chief Executive Officer	$225,000(4)	$159,127
Charles Moss(3)	President	130,000(4)	20,000
Richard T. O'Reilly(3)	Executive Vice President	115,000(5)	15,000
Frank G. Colnar(3)	Senior Vice President—Financial Planning	85,000(5)	10,000

Name of Individual or Identity of Group	Capacity in Which Remuneration Was Received(1)	Salary	Current Award Under Executive Incentive Plan(2)
Frederick L. Jacobs(3)	Senior Vice President—Administration, Secretary and Treasurer	85,000(5)	10,000
Stewart Greene(3)	Art Director and Consultant to Chairman—Special Projects	88,542(4)	22,532
All directors and officers as a group (32 persons including those shown above)(6)		$2,058,309(3)(5)	$256,659

(1) No director received any remuneration for services as a director while also serving as an officer of the Company.

(2) Paid in 1973 with respect to services rendered in the fiscal year ended October 31, 1972. The Company's Executive Incentive Plan provides for the crediting of 10% of consolidated net earnings from operations of the Company and its subsidiaries to an annual fund which is available for awards to key employees. Any portion of consolidated net earnings so credited for any year which is not used for awards for that year becomes available for general corporate purposes. The plan provides for an annual award to the Company's chief executive officer equal to 25% of the annual fund, for awards pursuant to employment agreements, and for awards to other eligible employees as determined by the Compensation Committee. However, the award to any employee in any year may not exceed the amount of such employee's compensation for that year. Subject to the discretion of the Committee, an employee may elect to defer receipt of his award until after termination of his employment with the Company.

(3) See information on employment agreements of Mrs. Lawrence, Messrs. Moss, O'Reilly, Colnar, Jacobs and Greene and another officer set forth below.

(4) Pursuant to their employment agreements, Mrs. Lawrence, Mr. Moss and Mr. Greene have also been credited with deferred compensation of $30,000, $25,000 and $18,000, respectively, with respect to services during the fiscal year ended October 31, 1972.

(5) The amounts shown include a bonus of $15,000 each to Messrs. O'Reilly, Colnar and Jacobs. The amounts shown do not include $52,500, $36,792 and $145,735 which the Company will deduct for Federal income tax purposes as compensation paid to Messrs. Colnar and O'Reilly and all directors and officers as a group, respectively, during the fiscal year ended October 31, 1972 as a result of the lapse of restrictions on shares of Common Stock purchased under the Company's Incentive Stock Purchase Plan.

(6) Includes 24 Vice Presidents who occupied important positions as heads of departments or had important client responsibilities during the last fiscal year but who did not perform the corporate management functions usually associated with such title.

Mary Wells Lawrence has an employment agreement with the Company that commenced on May 1, 1969 and was modified effective May 1, 1971. It provides for her active employment to April 30, 1981. Her basic salary is $225,000 per annum, plus deferred compensation at the rate of $30,000 per annum for each year of active employment, payable at specified dates stated in her agreement. Mrs. Lawrence has agreed to act as a consultant for the Company for twelve years following her period of active employment. She will receive a consulting fee of $125,000 per annum (or $75,000 per annum if certain conditions are not met). If her services are terminated because she becomes disabled during the term of her employment, she will receive such consulting fee only for the number of years equal to the number of years performed under the agreement. The agreement provides for the award to Mrs. Lawrence each year during the term of her employment of the greater of 25% of the annual fund under the Company's Executive Incentive Plan or the amount awarded to any other executive in such year under that plan, subject to the limitation that her award for any year may not exceed her compensation for that year. In the event of

Mrs. Lawrence's death during the term of her employment, the Company will pay her estate the sum of $1,000,000 in twenty equal annual installments. The Company has insurance policies on Mrs. Lawrence's life in excess of that amount.

Charles Moss entered into a ten-year employment agreement with the Company that commenced on November 1, 1971. His basic salary is $130,000 per annum, plus deferred compensation at the rate of $25,000 per annum for each year of active employment, payable commencing after the termination of his employment. As provided in the agreement, Mr. Moss received a stock option to purchase 13,750 shares at a price of $22.75 per share from the shares made available for this purpose by the stockholders at the 1972 Annual Meeting. Mr. Moss has agreed to act as a consultant for the Company for a maximum period of ten years following his period of active employment. For these services, he will receive a consulting fee at the rate of $25,000 per annum. If his services are terminated because he becomes disabled during the term of his employment, Mr. Moss will receive disability payments from the Company at the rate of $62,500 per annum. The Company has disability insurance policies for that amount. The Company also has a $500,000 insurance policy on Mr. Moss' life, the proceeds of which shall be paid to his estate or his designee.

The Company has individual employment agreements with Messrs. O'Reilly, Colnar and Jacobs, which expire on October 31, 1976. Each such agreement provides for service in their present respective executive capacities or such other position or positions as the Company's Board of Directors may determine, at their present annual salaries as follows: Mr. O'Reilly, $100,000; Mr. Colnar, $70,000; and Mr. Jacobs, $70,000. As provided in their individual employment agreements, each has received a stock option to purchase 5,000 shares at a price of $22.75 per share from the shares made available for this purpose by the stockholders at the 1972 Annual Meeting. Each also agrees to act as a consultant for the Company for a maximum period of ten years following his period of active employment. For these services, each will receive a consulting fee at the rate of $10,000 per annum. The Company has a $250,000 insurance policy on the life of each individual, the proceeds of which shall be paid to his estate or designee.

During the fiscal year ended October 31, 1972, Mr. Dragoti had an employment agreement with the Company, providing for annual compensation of $70,000 and with WRG/Dragoti, Ltd., a subsidiary of the Company, providing for annual compensation of $30,000. Both agreements expired on October 31, 1972.

Stewart Greene has an employment agreement with the Company that provides for his active employment to April 30, 1974 at a basic salary of approximately $88,500 per annum, plus deferred compensation at the rate of approximately $18,000 per annum for each fiscal year or part of a fiscal year of active employment, payable commencing after the termination of his employment. Mr. Greene has agreed to act as a consultant for the Company for a period of an additional five years following his period of active employment, for which he will receive a consulting fee at the rate of $75,000 per annum for the first two years, two months and two weeks of that period and thereafter to the end of the consulting period at the rate of approximately $53,000 per annum. If his services are terminated because he becomes disabled during the term of his employment, he will receive such consulting fee only for the number of years equal to the number of years performed under the agreement. The agreement also provides for the award to Mr. Greene for each year during the term of his employment of 3.54% of the annual fund under the Company's Executive Incentive Plan. In the event of his death during the term of his employment, the

Company will pay his estate $708,300 in twenty equal annual installments. The Company has an insurance policy on Mr. Greene's life in that amount.

Arnold M. Grant is providing legal services to a joint venture of which WRG/Dragoti Ltd., a subsidiary of the Company, is a party. The venture has completed the production of a motion picture entitled "Dirty Little Billy," which is presently being exhibited. He is being paid for such services and will also receive 10% of the profits of the joint venture for bringing the parties together and for assisting in the formation of the joint venture. Mr. Grant has received $30,000 from the joint venture to December 31, 1972.

On December 8, 1972, the Company, through a wholly-owned subsidiary, acquired the assets and certain of the liabilities of the Gardner Advertising Company, Incorporated, an advertising agency with its principal executive offices in St. Louis, Missouri, in exchange for 77,476 shares of the Company's Common Stock. (The name of the wholly-owned subsidiary was changed to Gardner Advertising Company, Incorporated after the exchange was completed.) As of October 31, 1972, on the basis of audited consolidated financial statements, Gardner's total assets were $8,452,039 and its total liabilities were $6,722,307. The closing sales price of the Company's Common Stock on the New York Stock Exchange on December 8, 1972 was $20.875. The amount of consideration was determined by arms-length negotiations between the parties, taking into consideration, among other things, current and historical earnings, earnings trends, return on equity and other factors. There were no material relationships between the Company, any of its affiliates, any director or officer of the Company or any associate of such director or officer and Gardner or any of its directors or officers. Mr. Kratky was President and a director of the acquired company. He also owned 14,370 shares of Gardner and his wife owned 630 shares. Pursuant to the acquisition agreement with Gardner, Gardner distributed such shares of the Company's Common Stock to its stockholders. Mr. Kratky and his wife received 5,750 and 250 shares of the Company's Common Stock, respectively.

The Company has also entered into an employment agreement with an officer not named in the foregoing table which provides for annual compensation of $65,000 until May 1975.

Pursuant to an insurance policy with Underwriters at Lloyds and certain British Companies, dated May 10, 1972, directors and officers of the Company are insured against certain liabilities which may arise by reason of particular acts in their respective capacities as such directors and officers. The policy limit is $5,000,000 and the annual premium is $30,800. In addition, directors and officers of the Company are insured against liabilities arising under the Securities Act of 1933 in connection with the registration statement relating to a secondary offering of 333,739 shares of the Company's Common Stock in April, 1971. This insurance policy, dated April 30, 1971, is also with Underwriters at Lloyds and certain British Companies. The policy limit is $3,000,000 and the total premium is $58,500, which amount has been paid.

Stock Options

The following table shows as to the persons named in the table under "Remuneration of Directors and Officers" above and all present directors and officers as a group (a) options to purchase shares of Common Stock granted from November 1, 1971 to December 31, 1972, (b)

the number of shares of Common Stock acquired during that period upon the exercise of options, and (c) the number of shares subject to unexercised options held as of December 31, 1972.

	Mary Wells Lawrence	Charles Moss	Richard T. O'Reilly	Frank G. Colnar	Frederick L. Jacobs	All Present Directors and Officers as a Group
(a) Options granted from November 1, 1971 to December 31, 1972:						
Number of shares:						
Tandem options (1)	—	13,750	5,000	5,000	5,000	29,250
Incentive Stock Purchase Plan options (2)	—	—	—	—	—	400
Total	—	13,750	5,000	5,000	5,000	29,650
Average (weighted) option price per share	—	$22.75	$22.75	$22.75	$22.75	$22.58
Average (weighted) market price on date of grant	—	$22.75	$22.75	$22.75	$22.75	$22.77
(b) Options exercised from November 1, 1971 to December 31, 1972:						
Number of shares	—	—	—	—	—	15,850
Aggregate option price of options exercised	—	—	—	—	—	$169,561
Aggregate market value of shares acquired on date options exercised	—	—	—	—	—	$476,508
(c) Options unexercised as of December 31, 1972:						
Number of shares	150,000	31,250	22,500	12,500	12,500	302,309
Average (weighted) option price per share	$20.50	$19.41	$18.56	$21.40	$21.40	$19.57

(1) A tandem option consists of the grant of a "qualified stock option", as defined in the Internal Revenue Code of 1954, as amended, and a non-qualified stock option as to the same number of shares. The qualified option and the non-qualified option have an option price equal to at least 100% of the fair market value of the stock subject to the option on the date of grant. The qualified option expires within five years from the date of grant and the non-qualified option expires within ten years from such date. The exercise of all or part of either option results in a corresponding reduction in the other option. The Company intends to grant no additional tandem options.

(2) These options were granted pursuant to the Incentive Stock Purchase Plan. Under this plan, the option price is equal to the greater of 40% of the fair market value of the stock subject to option on the business day preceding the date of grant or consolidated book value at the end of the fiscal year immediately preceding the date of grant. Options may be exercised for a period of 90 days provided that the grantee is still an employee on the date of exercise. Shares purchased upon the exercise of options are subject to such terms and conditions as may be determined by the Compensation Committee, which terms and conditions include restrictions on sale and other disposition of the shares and a requirement that the shares be resold to the Company at their purchase price in the event of termination of employment under certain conditions or action considered detrimental to the business of the Company.

During the period covered by the table, 400 shares issued upon the exercise of options described in note (2) were repurchased by the Company. Qualified options (see note (1)) covering 3,600 shares and tandem options (see note (1)) covering 11, 334 shares lapsed and are not included above.

RATIFICATION OF APPOINTMENT OF AUDITORS

The Board of Directors has appointed Haskins & Sells to audit the books of account of the Company for the fiscal year ending October 31, 1973. This firm has audited the Company's books since the latter's organization in 1966. The Company has been advised by Haskins & Sells that

neither the firm nor any of its partners has any financial interest, direct or indirect, in the Company or any of its subsidiaries or has had any connection during the past three years with the Company or any of its subsidiaries in the capacity of promoter, underwriter, voting trustee, director, officer or employee. Management will present to the meeting a proposal that the appointment of Haskins & Sells be ratified.

The proposal will be adopted if approved by the holders of a majority of the shares of Common Stock voting with respect to the proposal.

The Board of Directors recommends a vote "FOR" this proposal.

The management of the Company is not aware of any other matters that will come before the meeting, but if any other matters should properly come before the meeting, the persons named as proxies will vote the proxy in accordance with their best judgment.

The Company will bear the costs of the solicitation of proxies. In addition to the use of the mails, proxies may be solicited by officers, directors and regular employees of the Company personally, by telephone or by telegraph. The Company may pay brokers, nominees, fiduciaries and other custodians their reasonable fees and expenses for sending proxy materials to principals and obtaining their instructions.

By Order of the Board of Directors,

FREDERICK L. JACOBS
Secretary

January 30, 1973

EXH 11 NS

EXHIBIT 12

WRG Notice of Annual Meeting Dated January 30, 1974, and Proxy Statement

Wells, Rich, Greene, Inc.
767 Fifth Avenue
New York, New York 10022
(212) 758-4300

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

The Annual Meeting of Stockholders of Wells, Rich, Greene, Inc. will be held at Morgan Guaranty Hall, on the 28th Floor of 15 Broad Street, New York City, on Wednesday, March 6, 1974, at 2 P.M., local time, for the following purposes:

1. To elect twelve directors;

2. To consider and take action upon a proposal (designated as Proposal 1 in the accompanying Proxy Statement) to approve the actions of the Board of Directors and the Compensation Committee in approving the acceleration of the expiration dates of certain options outstanding on June 13, 1973 under the Company's Stock Option Plan and subsequently granting new options to purchase shares of Common Stock which became available under the Plan as a result of the accelerated expiration of the outstanding options;

3. To consider and take action upon a proposal (designated as Proposal 2 in the accompanying Proxy Statement) to ratify the appointment by the Board of Directors of Haskins & Sells as auditors; and

4. To transact such other business as may properly come before the meeting or any adjournment or adjournments thereof.

Only stockholders of record at the close of business on January 17, 1974, will be entitled to notice of, and to vote at, such meeting.

By Order of the Board of Directors,

Frederick L. Jacobs
Secretary

January 30, 1974

YOUR VOTE IS IMPORTANT

IT IS IMPORTANT THAT YOUR SHARES BE REPRESENTED AT THIS MEETING. IF YOU DO NOT EXPECT TO BE PRESENT IN PERSON AT THE MEETING, YOU ARE REQUESTED TO DATE AND SIGN THE ENCLOSED PROXY AND RETURN IT AT YOUR EARLIEST CONVENIENCE.

Mailing Date
January 30, 1974

Wells, Rich, Greene, Inc.

PROXY STATEMENT

This Proxy Statement is furnished in connection with the solicitation by the management of Wells, Rich, Greene, Inc. (the "Company") of proxies to be voted at the 1974 Annual Meeting of Stockholders of the Company. The address of the Company's principal executive office is 767 Fifth Avenue, New York, New York 10022, and the telephone number is (212) 758-4300. The Company's Annual Report for the fiscal year ended October 31, 1973 is enclosed.

Only stockholders of record at the close of business on January 17, 1974 will be entitled to vote at the meeting. Any stockholder giving a proxy has the power to revoke it at any time before it is voted.

As of January 24, 1974, the Company had outstanding 1,631,524 shares of Common Stock, which is its only voting security. Each share is entitled to one vote. On that date, Mary Wells Lawrence, Chairman of the Board and Chief Executive Officer, was the beneficial owner of 85,500 shares of Common Stock, all of which were held of record and which represented 5.24% of the total shares outstanding. Mrs. Lawrence was also the holder of an option granted pursuant to the Company's Stock Option Plan to purchase 150,000 shares of Common Stock at $20.50 per share. To the knowledge of management, as of January 24, 1974, no person owned of record or beneficially more than 10% of the outstanding shares of Common Stock.

ELECTION OF DIRECTORS

Twelve directors are to be elected at the Annual Meeting to serve for the ensuing year and until their successors shall have been elected and shall have qualified. The By-Laws of the Company provide for a Board of Directors of not less than three nor more than fifteen directors. Pursuant to the By-Laws, the Board of Directors has fixed the number of directors at twelve and the twelve persons named below have been nominated for election as directors. The accompanying proxy will be voted for such nominees unless a contrary intention is indicated. All of the nominees are presently directors of the Company and were elected at the 1973 Annual Meeting of Stockholders. If any nominee should become unavailable, which the management does not expect, it is the intention of the persons named in the enclosed form of proxy to vote the proxy for the nomination and election of such other person as the Board of Directors may designate.

The following table sets forth certain information regarding each of the nominees, including the amount of Common Stock of the Company beneficially owned, directly or indirectly, by each nominee as of the close of business on January 24, 1974:

Name	Principal Occupation or Employment and All Offices Presently Held with the Company	Has Served as a Director Since	Shares of the Company's Common Stock Beneficially Owned
Mary Wells Lawrence	Chairman of the Board and Chief Executive Officer	1966	85,500
Charles Moss	President	1970	18,750
Richard T. O'Reilly	Executive Vice President	1970	15,000
John V. Burns	Senior Vice President — Account Services	1973	2,500
Frank G. Colnar	Senior Vice President — Financial Planning	1969	10,700
Frederick L. Jacobs	Senior Vice President—Administration, Secretary and Treasurer	1968	18,750
Martin Stern	Senior Vice President — Sales Director	1973	8,750
Stanley G. Dragoti	President of WRG/Dragoti Ltd., a subsidiary of the Company	1973	6,100(1)
Warren J. Kratky	President of Gardner Advertising Company, Incorporated, a wholly-owned subsidiary of the Company	1973	6,000
Arnold M. Grant	Attorney	1968	20,000
Troy V. Post	Investments	1968	5,000
Emilio Pucci	Designer	1968	—

(1) Mr. Dragoti is the record and beneficial owner of 200 of the 1,000 shares of WRG/Dragoti Ltd. (The remainder is owned by the Company.)

Remuneration of Directors and Officers

With respect to persons who were directors or officers of the Company at any time during the fiscal year ended October 31, 1973, the following information is given for such year for (1) each director of the Company whose aggregate direct remuneration paid by the Company and its subsidiaries exceeded $30,000, and each of the three highest paid officers of the Company whose aggregate direct remuneration exceeded that amount, and (2) all directors and officers as a group.

Name of Individual or Identity of Group	Capacity in Which Remuneration Was Received(1)	Salary	Executive Incentive Plan (2) Current Award	Executive Incentive Plan (2) Officers Deferred Incentive Award(3)
Mary Wells Lawrence(4)...	Chairman and Chief Executive Officer	$225,000(5)	$185,595	—
Charles Moss(4)	President	130,000(5)	30,000	—
Richard T. O'Reilly(4)	Executive Vice President	100,000(6)	15,000	—
John V. Burns	Senior Vice President—Account Services	88,750	10,000	—
Frank G. Colnar(4)	Senior Vice President—Financial Planning	75,000(6)	15,000	—
Frederick L. Jacobs(4)	Senior Vice President—Administration, Secretary and Treasurer	75,000(6)	15,000	—
Martin Stern	Senior Vice President—Sales Director	70,000	10,000	—
Stewart Greene(4)	Art Director and Consultant to Chairman—Special Projects	88,542(5)	26,280	—
Stanley G. Dragoti	President of WRG/Dragoti Ltd., a subsidiary of the Company	70,000	—	—
Warren J. Kratky	President of Gardner Advertising Company, Incorporated, a wholly-owned subsidiary of the Company	89,010	—	—
All directors and officers as a group (57 persons including those shown above)(7) ...		$2,773,168	$306,875	$111,357(3)

(1) No director received any remuneration for services as a director while also serving as an officer of the Company.

(2) Paid in 1974 with respect to services rendered in the fiscal year ended October 31, 1973. The Company's Executive Incentive Plan provides for the crediting of 10% of consolidated net earnings from operations of the Company and its subsidiaries to an annual fund which is available for awards to key employees. Any portion of consolidated net earnings so credited for any year which is not used for awards for that year becomes available for general corporate purposes. The plan provides for an annual award to the Company's chief executive officer equal to 25% of the annual fund, for awards pursuant to employment agreements, and for awards to other eligible employees as determined by the Compensation Committee. However, the award to any employee in any year may not exceed the amount of such employee's compensation for that year. Subject to the discretion of the Committee, an employee may elect to defer receipt of his award until after termination of his employment with the Company. No awards were made under this plan in fiscal 1968. In fiscal 1969, 1970, 1971 and 1972, Mrs. Lawrence received awards of $77,566, $100,000, $155,891 and $159,127, respectively, and Mr. Greene received $15,513, $20,417, $25,635 and $22,532, respectively. In addition, the following awards were made in fiscal 1972: Mr. Moss $20,000; Mr. O'Reilly, $15,000; Mr. Colnar, $10,000; and Mr. Jacobs, $10,000.

(3) In accordance with the terms of the Company's Executive Incentive Plan, the Officers' Deferred Incentive Program provides for the crediting of a minimum of 15% of the annual fund under the Plan (see note (2) above) as a program fund which is available for awards to officers of the Company (except officers at the level of Senior Vice President or higher). Awards granted pursuant to the program vest over a period of five years measured from the date the employee initially became an officer of the Company or upon his death or disability. Awards or portions thereof which are forfeited as a result of termination of employment prior to vesting will be allocated pro rata to other employees who received awards in the same year the forfeited award was granted. Payment of the vested portion of awards will be made annually, in equal installments, over a period of five years commencing on the January 1 next following the date of termination of employment. Subject to the discretion of the Compensation Committee, the payment of the vested portion of an award may be accelerated to a date no earlier than the date of termination of employment.

(4) See information on employment agreements of Mrs. Lawrence, Messrs. Moss, O'Reilly, Colnar, Jacobs and Greene and another officer set forth below.

(5) Pursuant to their employment agreements, Mrs. Lawrence, Mr. Moss and Mr. Greene have also been credited with deferred compensation of $30,000, $25,000 and $18,000, respectively, with respect to services during the fiscal year ended October 31, 1973.

(6) The amounts shown include a bonus of $5,000 each to Messrs. Colnar and Jacobs. The amounts shown do not include $52,500, $51,372, $7,560 and $136,254 which the Company will deduct for Federal income tax purposes as compensation paid to Messrs. Colnar, O'Reilly and Dragoti and all directors and officers as a group, respectively, during the fiscal year ended October 31, 1973 as a result of the lapse of restrictions on shares of Common Stock purchased under the Company's Incentive Stock Purchase Plan. Since the inception of this plan in 1968 (but not including fiscal 1973), the Company has deducted the following amounts as compensation paid to the following persons and groups: Mr. Colnar, $170,000; Mr. O'Reilly, $172,182; Mr. Dragoti, $24,480; all directors and officers as a group, $430,311, and all other employees, $81,884. The plan was terminated in August 1973.

The Company's Profit Sharing Plan was terminated in January 1971. No contributions were made to the plan in either fiscal 1970 or 1971. The total fund under the plan was distributed to participating employees in 1971 in accordance with their respective interests as follows: Mr. Colnar, $2,712; Mr. Moss, $3,579; Mr. Jacobs, $2,928; all directors and officers as a group, $16,114; and all other employees, $129,799.

(7) Includes 47 Vice Presidents who occupied important positions as heads of departments or had important client responsibilities during the last fiscal year but who did not perform the corporate management functions usually associated with such title.

Mary Wells Lawrence has an employment agreement with the Company that commenced on May 1, 1969 and was modified effective May 1, 1971. It provides for her active employment to April 30, 1981. Her basic salary is $225,000 per annum, plus deferred compensation at the rate of $30,000 per annum for each year of active employment, payable at specified dates stated in her agreement. Mrs. Lawrence has agreed to act as a consultant for the Company for twelve years following her period of active employment. She will receive a consulting fee of $125,000 per annum (or $75,000 per annum if certain conditions are not met). If her services are terminated because she becomes disabled during the term of her employment, she will receive such consulting fee only for the number of years equal to the number of years performed under the agreement. The agreement provides for the award to Mrs. Lawrence each year during the term of her employment of the greater of 25% of the annual fund under the Company's Executive Incentive Plan or the amount awarded to any other executive in such year under that plan, subject to the limitation that her award for any year may not exceed her compensation for that year. In addition, the agreement provides that in the event of Mrs. Lawrence's death on or before April 30, 1981, the

Company will pay her estate $1,000,000 in twenty equal annual installments. The Company has insurance policies on Mrs. Lawrence's life in excess of that amount.

Charles Moss entered into a ten-year employment agreement with the Company that commenced on November 1, 1971. His basic salary is $130,000 per annum, plus deferred compensation at the rate of $25,000 per annum for each year of active employment, payable commencing after the termination of his employment. Mr. Moss has agreed to act as a consultant for the Company for a maximum period of ten years following his period of active employment. For these services, he will receive a consulting fee at the rate of $25,000 per annum. If his services are terminated because he becomes disabled during the term of his employment, Mr. Moss will receive disability payments from the Company at the rate of $62,500 per annum. The Company has disability insurance policies for that amount. In the event of Mr. Moss' death during the term of his employment, the Company will pay his estate or his designee $500,000. The Company has an insurance policy on Mr. Moss' life in that amount.

The Company has individual employment agreements with Messrs. O'Reilly, Colnar and Jacobs, which expire on October 31, 1976. Each such agreement provides for service in their present respective executive capacities or such other position or positions as the Company's Board of Directors may determine. They are presently receiving the following annual salaries: Mr. O'Reilly, $100,000; Mr. Colnar, $83,500; and Mr. Jacobs, $83,500. Each individual also agrees to act as a consultant for the Company for a maximum period of ten years following his period of active employment. For these services, each will receive a consulting fee at the rate of $10,000 per annum. In the event of the death of any of these individuals during the term of his employment, the Company will pay his estate or his designee $250,000. The Company has an insurance policy on the life of each individual in that amount.

Stewart Greene has an employment agreement with the Company that provides for his active employment to April 30, 1974 at a basic salary of approximately $88,500 per annum, plus deferred compensation at the rate of approximately $18,000 per annum for each fiscal year or part of a fiscal year of active employment, payable commencing after the termination of his employment. Mr. Greene has agreed to act as a consultant for the Company for a period of an additional five years following his period of active employment, for which he will receive a consulting fee at the rate of $75,000 per annum for the first two years, two months and two weeks of that period and thereafter to the end of the consulting period at the rate of approximately $53,000 per annum. If his services are terminated because he becomes disabled during the term of his employment, he will receive such consulting fee only for the number of years equal to the number of years performed under the agreement. The agreement also provides for the award to Mr. Greene for each year during the term of his employment of 3.54% of the annual fund under the Company's Executive Incentive Plan. In the event of his death during the term of his employment, the Company will pay his estate $703,300 in twenty equal annual installments. The Company has an insurance policy on Mr. Greene's life in that amount.

Arnold M. Grant is providing legal services to a joint venture of which WRG/Dragoti Ltd., a subsidiary of the Company, is a party. The venture has completed the production of a motion picture entitled "Dirty Little Billy," which is presently being exhibited. [illegible]e has been paid $30,000 to date for such services and will also receive 10% of the profits of the [illegible] venture for bringing the parties together and for assisting in the formation of the joint venture.

The Company has also entered into an employment agreement with an officer not named in the foregoing table which provides for annual compensation of $65,000 until May 1975.

Pursuant to an insurance policy with Underwriters at Lloyds and certain British Companies, directors and officers of the Company and the Gardner Advertising Company, Incorporated, are insured against certain liabilities which may arise by reason of particular acts in their respective capacities as such directors and officers. The policy limit is $5,000,000 and the annual premium is $8,114.

Stock Options

The following table shows as to the persons named in the table under "Remuneration of Directors and Officers" above and all present directors and officers as a group (a) options to purchase shares of Common Stock granted during the period from October 30, 1968 to January 15, 1974 (including options granted on June 20, 1973 for which approval is being sought pursuant to Proposal 1), (b) the number of shares of Common Stock acquired during that period upon the exercise of options, (c) the number of shares of Common Stock sold during that period by any such persons who exercised options during the period, and (d) the number of shares subject to unexercised options held as of January 15, 1974.

	Mary Wells Lawrence	Charles Moss	Richard T. O'Reilly	John V. Burns	Frank G. Colnar	Frederick L. Jacobs	Martin Stern	Stanley G. Dragoti	All Present Directors and Officers as a Group
(a) Options granted from October 30, 1968 to January 15, 1974:									
Number of Shares:									
Qualified options (1)	—	10,000	10,000	2,500	—	—	7,500	21,000	87,925
Non-qualified options (2)	150,000	—	—	8,335	—	—	6,275	—	227,400
Tandem options (3)	—	21,250	12,500	7,500	12,500	12,500	7,500	—	106,000
Incentive Stock Purchase Plan options (4)	—	—	30,000	—	25,000	—	—	3,600	71,200
Sub Total	150,000	31,250	52,500	18,335	37,500	12,500	21,275	24,600	492,525(5)
Options accelerated and lapsed (6)	—	—	—	(10,000)	—	—	(7,500)	(11,400)	(85,650)
Total	150,000	31,250	52,500	8,335	37,500	12,500	13,775	13,200	406,875
Average (weighted) option price per share	$20.50	$19.41	$11.21	$10.625	$11.80	$21.40	$ 9.40	$ 9.64	$15.20
Average (weighted) market price on date of grant	$19.88	$19.41	$16.11	$10.625	$18.80	$21.40	$ 9.40	$12.50	$16.61
(b) Options exercised through January 15, 1974:									
Number of shares	—	—	30,000	—	25,000	—	5,000	3,600	89,173
Aggregate option price of options exercised	—	—	$171,240	—	$175,000	—	$ 41,875	$25,200	$ 628,522
Aggregate market value of shares acquired on date options exercised	—	—	$410,738	—	$553,125	—	$107,188	$48,600	$1,615,819
(c) Sale of shares from November 1, 1968 to January 15, 1974:									
Number of shares	—	—	15,000	—	12,500	—	—	—	36,503
(d) Options unexercised as of January 15, 1974:									
Number of shares	150,000	31,250	22,500	8,335	12,500	12,500	8,775	),600	317,402
Average (weighted) option price per share	$20.50	$19.41	$18.56	$10.625	$21.40	$21.40	$ 9.98	$10.625	$17.50

(1) These options are intended to be "qualified stock options" as defined in the Internal Revenue Code of 1954, as amended. They each have an option price equal to at least 100% of the fair market value of the stock subject to the option on the date of grant and must be exercised within five years from the date of grant.

(2) These options are intended to be non-qualified stock options. They each have an option price equal to at least 100% of the fair market value of the stock subject to the option on the date of grant and must be exercised within ten years from the date of grant.

(3) A tandem option consists of the grant of a "qualified stock option," as defined in the Internal Revenue Code of 1954, as amended, and a non-qualified option as to the same number of shares, each with an option price equal to at least 100% of the fair market value of the stock subject to the option on the date of grant. The exercise of all or part of either option results in a corresponding reduction in the other option. The Company intends to grant no additional tandem options.

(4) These options were granted pursuant to the Incentive Stock Purchase Plan. Under this plan, the option price is equal to the greater of 40% of the fair market value of the stock subject to option on the business day preceding the date of grant or consolidated book value at the end of the fiscal year immediately preceding the date of grant. Options may be exercised for a period of 90 days provided that the grantee is still an employee on the date of exercise. Shares purchased upon the exercise of options are subject to such terms and conditions as may be determined by the Compensation Committee, which terms and conditions include restrictions on sale and other disposition of the shares and a requirement that the shares be resold to the Company at their purchase price or 40% of the then fair market value, whichever is the greater, in the event of termination of employment under certain conditions or action considered detrimental to the business of the Company.

(5) During the period covered by the table, other employees were granted options covering 44,500 shares subject to options described in note (1) at an average (weighted) option price per share of $14.17; 5,802 shares subject to options described in note (2) at an average (weighted) option price per share of $10.625; 27,250 shares subject to options described in note (3) at an average (weighted) option price per share of $20.50; and 14,800 shares subject to options described in note (4) at an average (weighted) option price per share of $6.39. Also options to purchase 7,812 shares described in note (1) were exercised by these employees at an aggregate market value on date of exercise of $175,323.

(6) These options lapsed after the Board of Directors and Compensation Committee approved certain voluntary agreements by the optionees to accelerate the expiration dates of said options to June 13, 1973. (For additional information concerning the granting of options for Common Stock that became available upon the expiration of these options, see "Approval of Stock Option Grants Under Stock Option Plan".) The expiration dates of options covering 6,717 shares granted to employees who are not officers were also accelerated.

1,400 shares issued upon the exercise of options described in note (4) were repurchased by the Company. Options granted to employees who are not officers covering 37,070 shares subject to options described in note (1); 1,770 shares subject to options described in note (2); 20,451 shares subject to options described in note (3); and 500 shares subject to options described in note (4) lapsed and are not included above.

Information with respect to awards under the Company's Executive Incentive Plan and payments under the Profit Sharing Plan (terminated in January 1971) during the last five fiscal years is given in notes (2) and (6) to the remuneration table.

APPROVAL OF STOCK OPTION GRANTS UNDER STOCK OPTION PLAN

(Proposal 1)

There will be presented to the meeting a proposal to approve the actions of the Board of Directors and the Compensation Committee in approving the acceleration of the expiration dates of certain options outstanding on June 13, 1973 under the Company's Stock Option Plan (the "Plan") and subsequently granting new options to purchase shares of Common Stock which became available under the Plan as a result of the accelerated expiration of the outstanding options. A copy of the Plan is included as an appendix to this Proxy Statement, to which reference is made for a full statement of its terms and provisions.

Originally adopted by the stockholders in August 1968 and amended by them in May 1969, March 1971 and March 1972, the Plan provides for the granting of options that are intended to be "qualified stock options" as defined in the Internal Revenue Code of 1954, non-qualified stock options and tandem options. All qualified options are granted at not less than the fair market value of the Common Stock on the date of grant and all non-qualified options are granted at not less than 85% of such fair market value on the date of grant. Qualified options must be exercised within five years from the date of grant and non-qualified options must be exercised within ten years from such date. A tandem option consists of the grant of a qualified stock option and a non-qualified stock option as to the same number of shares, each having an option price equal to at least 100% of the fair market value of the stock subject to the option on the date of grant. The exercise of all or part of either option results in a corresponding reduction in the other option. The Company has not granted any tandem options since August 1972 and intends to grant no additional tandem options.

A total of 363,750 shares has been authorized for issuance under the Plan. In the opinion of the Board of Directors, the Plan has contributed materially to the Company's success during the past years in securing and retaining the services of key personnel and has been an important source of added incentive to them. As of June 13, 1973, options to purchase 333,769 shares were outstanding under the Plan. Options for 25,385 shares had been exercised as of that date and only 4,596 shares remained as to which options could be granted (although shares become available for the granting of future options to the extent outstanding options expire or are terminated without having been exercised). In addition, no shares remained available for options under the Company's Incentive Stock Purchase Plan (see the table under "Stock Options" for information concerning this plan).

On June 13, 1973, certain optionees voluntarily tendered to the Board of Directors their agreements to accelerate the expiration dates of their options under the Plan to that date. They were given no commitment that their options would be replaced, in whole or in part. Options subject to such agreements were as follows:

Name of Individual or Identity of Group	Date of Grant	Type of Option	Number of Shares Covered by Option	Option Price	Original Expiration Date
John V. Burns	5/10/71	Tandem	7,500	$20.50	5/ 9/76
	1/26/73	Qualified	2,500	$16.75	5/ 9/81 1/25/78
Stanley G. Dragoti	10/30/68	Qualified	11,400	$17.50	10/29/73
Martin Stern	5/10/71	Tandem	7,500	$20.50	5/ 9/76 5/ 9/81

Name of Individual or Identity of Group	Date of Grant	Type of Option	Number of Shares Covered by Option	Option Price	Original Expiration Date
All directors and officers as a group (40 persons including those shown above)	10/30/68	Qualified	13,300	$17.50	10/29/73
	6/27/69	Qualified	3,500	$14.00	6/26/74
	5/10/71	Tandem	45,250	$20.50	5/ 9/76
					5/ 9/81
	1/12/72	Tandem	2,000	$23.50	1/11/77
					1/11/82
	1/26/73	Qualified	17,000	$16.75	1/25/78
	5/31/73	Qualified	4,600	$12.00	5/30/78

In addition to the above, the expiration dates of certain options covering 6,717 shares granted to other employees were offered to be accelerated.

The Board of Directors met on June 20, 1973 and adopted a resolution approving the agreements by such optionees to accelerate the expiration date of their options after determining that the accelerated options had largely ceased to have any incentive effect on the optionees. The average (weighted) exercise price of the accelerated options on June 20, 1973 was $18.77 per share and the closing price of the Common Stock of the Company on the New York Stock Exchange on such date was $10.625 per share. Accordingly, as of June 13, 1973, 92,367 shares became reavailable for options under the Plan. Subsequently, on June 20, 1973, with a view to providing a meaningful incentive for these optionees, the Compensation Committee, which is responsible for administering the Plan and is composed of three members of the Board of Directors who are not employees and are not eligible to participate in the Plan, then granted, and the Board of Directors ratified, the following new options:

Name of Individual or Identity of Group	Type of Option	Number of Shares Covered by Option	Option Price*
John V. Burns	Non-Qualified	8,335	$10.625
Stanley Dragoti	Qualified	9,600	$10.625
Martin Stern	Non-Qualified	6,275	$10.625
All directors and officers as a group (40 persons including those shown above)	Qualified	9,600	$10.625
	Non-Qualified	65,800	$10.625
All other employees	Non-Qualified	5,802	$10.625

* 100% of fair market value on June 20, 1973. The closing sale price of the Common Stock on the New York Stock Exchange on January 23, 1974 was $8.50.

Mr. Burns, Mr. Dragoti and Mr. Stern did not participate in the actions of the Board of Directors. The new options are not exercisable until approval by stockholders. Thereafter, one-third of the option may be exercised after six months from the date of grant, one-third after 18 months from such date and one-third after 30 months provided the optionee remains in the employment of the Company. If all of the accelerated options, relating to 92,367 shares, had been exercised, the Company would have received $1,733,363 in payment of the aggregate exercise price. If all of the options, relating to 81,202 shares, granted to those employees who accelerated their options are exercised, the Company will receive $862,771 in payment of the aggregate exercise price. However, since the average (weighted) exercise price of the accelerated options was substantially in excess of the market price (see preceding paragraph), there was no assurance that any part of or all of the accelerated options would ever have been exercised.

Although the Board of Directors and the Compensation Committee believe that the actions taken by them are authorized by and consistent with the Plan as previously approved by stockholders, the grants of these options were made subject to approval of stockholders at the annual meeting.

The proposal to approve the actions of the Board of Directors and the Compensation Committee with respect to the option grants will be adopted if approved by the holders of a majority of the shares of Common Stock entitled to vote with respect to the proposal. If the proposal is not approved, the new options will be cancelled and the shares covered thereby will become available for future options under the Plan.

The Board of Directors recommends a vote "FOR" Proposal 1.

RATIFICATION OF APPOINTMENT OF AUDITORS

(Proposal 2)

The Board of Directors has appointed Haskins & Sells to audit the books of account of the Company for the fiscal year ending October 31, 1974. This firm has audited the Company's books since the latter's organization in 1966. The Company has been advised by Haskins & Sells that neither the firm nor any of its partners has any financial interest, direct or indirect, in the Company or any of its subsidiaries or has had any connection during the past three years with the Company or any of its subsidiaries in the capacity of promoter, underwriter, voting trustee, director, officer or employee. Management will present to the meeting a proposal that the appointment of Haskins & Sells be ratified.

The proposal will be adopted if approved by the holders of a majority of the shares of Common Stock voting with respect to the proposal.

The Board of Directors recommends a vote "FOR" Proposal 2.

The management of the Company is not aware of any other matters that will come before the meeting, but if any other matters should properly come before the meeting, the persons named as proxies will vote the proxy in accordance with their best judgment.

The Company will bear the costs of the solicitation of proxies. In addition to the use of the mails, proxies may be solicited by officers, directors and regular employees of the Company personally, by telephone or by telegraph. The Company may pay brokers, nominees, fiduciaries and other custodians their reasonable fees and expenses for sending proxy materials to principals and obtaining their instructions.

By Order of the Board of Directors,

FREDERICK L. JACOBS
Secretary

January 30, 1974

APPENDIX

WELLS, RICH, GREENE, INC.

STOCK OPTION PLAN

1. Objectives

The objectives of this Stock Option Plan (the "Plan") are to enable Wells, Rich, Greene, Inc. (the "Agency") and its subsidiaries (as defined in Section 425(f) of the Internal Revenue Code of 1954, as amended) to attract and retain key employees of outstanding ability, to stimulate the efforts of such employees toward achievement of Agency objectives and to encourage the identification of their interests with those of the Agency's shareholders.

2. Administration

The Plan shall be administered by the Agency's Compensation Committee (the "Committee"), which shall consist of at least three directors, the majority of whom shall be directors who are not employees of the Agency. No member of the Committee shall be eligible to receive options.

The Committee may establish such rules and regulations appropriate for the administration of the Plan and make such determinations and take such action in connection with the Plan as it deems necessary, provided that the Committee may take action only upon the vote of a majority of the entire Committee.

The Committee's determinations and interpretations shall be final and binding upon all persons including the Agency, its shareholders and persons having any interest in options which may be granted under the Plan.

3. Eligibility

Key employees of the Agency or its subsidiaries, including officers (whether or not such employees are members of the Board of Directors of the Agency), shall be eligible to receive options under the Plan. Members of the Board of Directors of the Agency who are not officers or employees of the Agency or of any subsidiary are not eligible to receive options under the Plan.

4. Shares Subject to Option

The stock to be optioned under the Plan shall be shares of the Agency's common stock, and may be authorized but unissued stock or stock issued and held in the treasury of the Agency.

The aggregate number of shares which may be issued pursuant to options granted under the Plan shall not exceed 363,750, subject to adjustment under Section 11 of the Plan.

Shares not issued because of expiration or termination of an option shall be available for further option.

5. Granting of Options

The Committee may from time to time at its discretion, subject to the provisions of the Plan, determine those employees of the Agency or its subsidiaries to whom options shall be granted, whether the options granted shall be "qualified stock options" within the meaning of the Internal Revenue Code of 1954, as amended, or options which are not qualified options ("non-qualified

options"), the number of shares which may be issued subject to such options and the dates on which such options are to be granted.

Each option granted under the Plan shall be evidenced by a written Stock Option Agreement setting forth the terms upon which the option is granted.

6. Option Price

The price at which shares subject to a qualified option may be purchased shall not be less than 100% of fair market value on the date on which the option is granted, as such value is determined by the Committee. The price at which shares subject to a non-qualified option may be purchased shall not be less than 85% of fair market value on the date on which the option is granted, as such value is determined by the Committee.

7. Exercise of Option

Subject to the following provisions, all options shall be exercisable according to such terms and conditions as the Committee, in its discretion, may deem necessary or desirable:

A. All rights to exercise a qualified option shall expire not later than five years from the date on which the option is granted. All rights to exercise a non-qualified option shall expire not later than ten years from the date on which the option is granted.

B. No option or portion of an option shall be exercisable for a period of six months from date granted.

C. The exercise of all or part of an option granted under this Plan may result in the reduction or termination of another option granted under this Plan.

D. No qualified option granted under this Plan may be exercised prior to the time that there shall have been exercised in full, or shall have expired by reason of lapse of time, each qualified stock option and each restricted stock option (as defined in Section 424(b) of the Internal Revenue Code of 1954, as amended), granted at an earlier date to the same holder, to purchase (i) shares of common stock of the Agency at an option price higher than that specified in the qualified option in question; (ii) shares of stock of the Agency other than common stock; or (iii) shares of stock in a corporation which is a parent or subsidiary of the Agency (as defined in Section 425(f) of the Internal Revenue Code of 1954, as amended), or a predecessor of the Agency, its parent or subsidiaries. In such a case and provided that such later qualified option would otherwise be exercisable, then the exercise date of any installment of such earlier qualified option may be accelerated by the Committee to any date consented to by the option holder or the person or persons entitled to exercise the option under paragraph 10 of the Plan, which date shall not be earlier than six months from the date of grant of such qualified option.

E. Payment for shares purchased upon exercise of an option shall be made either in full or in installments, as shall be determined by the Committee and provided in the applicable Stock Option Agreement. If payment is made in installments, the option holder may, if the Committee so determines, be required to make a down payment in cash and in any event shall be required to deliver to the Agency his promissory installment note payable to the Agency for an amount equal to the total option price (or the difference between the total option price and the amount of any down payment). Such note shall bear interest as the Committee shall determine, but in any event at a rate not less than 4%. The option holder shall pay the principal of the note, together with

interest thereon, as provided in such note and subject to such terms and conditions as may be provided in the applicable Stock Option Agreement; provided, however, that in any event the entire amount of the total option price shall be due and payable by the end of ten years from the date of purchase. The option holder shall have full voting rights with respect to all shares issued pursuant to options granted under this Plan, whether paid for in full or in installments. Dividends on such partly paid shares (other than dividends in stock of the Agency) shall be declared and paid only upon the basis of the percentage of the total option price actually received thereon by the Agency. Certificates issued to represent partly paid shares shall be registered in the name of the option holder and shall, immediately upon issue, be delivered to the Agency, endorsed in blank by the option holder or accompanied by a separate stock power so endorsed, in pledge as security for the payment of the unpaid balance of the option price. Such certificates shall state thereon the total amount of the consideration to be paid therefor and the amount paid thereon.

F. The holder of an option shall, as such, not have any rights of a shareholder with respect to optioned shares.

8. Transferability of Options

An option shall not be transferable except by will or the laws of descent and distribution and an option may be exercised, during the optionee's lifetime, only by him.

9. Termination of Employment

Upon termination by the Agency or a subsidiary of an employee's employment, such employee, if he holds an option at that time of termination, may, at any time within three months after the date of termination but not later than the date of expiration of the option, exercise the option to the extent he was entitled to do so on the date of termination. Any options or portions of options of an employee who voluntarily terminates his employment, or whose employment is terminated by the Agency or a subsidiary for cause, shall terminate as of the date of termination of employment.

Nothing in the Plan or in any option granted under the Plan shall confer on any employee any right to continue in the employ of the Agency or its subsidiaries or affect the right of the Agency or the subsidiary by which he is employed to terminate his employment at any time.

10. Death of Employee

In the event of the death of an option holder, his option privileges shall apply to those shares which were immediately purchasable by him at the time of his death, and such privilege shall expire unless exercised by the executor or administrator of his estate or the person or persons who acquired the right to exercise the option by bequest or inheritance or by reason of his death at any time within one year after the date of death but not later than the expiration of the option.

11. Changes in Common Stock

In the event of a recapitalization, stock split, stock dividend, combination of shares, merger, consolidation, rights offering or any other change affecting the common stock of the Agency, an appropriate adjustment shall be made, in accordance with the applicable provisions of the Internal Revenue Code of 1954, as amended, and Regulations thereunder, in the number and kind of shares subject to options under the Plan in the aggregate or to any one employee and in the number, price and kind of shares covered by options previously granted under the Plan and unexercised.

12. Amendment or Discontinuance

The Board of Directors of the Agency may alter, suspend or discontinue the Plan, but may not, without the approval of the shareholders of the Agency, make any alteration which would (a) increase the aggregate number of shares subject to option under the Plan, except as provided in Section 11; (b) decrease the minimum option price; (c) permit any member of the Board of Directors of the Agency who is not an officer or employee of the Agency or a subsidiary, or any member of the Committee, to become eligible for options under the Plan; or (d) extend the term of the Plan or the maximum period during which any option may be exercised. The Board of Directors may not revoke or alter, in a manner unfavorable to the holder, any outstanding option, without the consent of the holder.

13. Effective Date and Term of Plan

This amended Plan shall become effective on March 10, 1971. No option shall be granted pursuant to this Plan after July 31, 1978, but options may extend beyond that date in accordance with the provisions of the Plan.

EXH 13 SNS

EXHIBIT 13

Prospectus Dated October 31, 1968

PROSPECTUS

409,900 Shares

HOSKINS LOWER & WERNER-WELLS
NOV-3 '68
LIBRARY

Wells, Rich, Greene, Inc.

Common Stock
($1.00 Par Value)

Of the shares offered hereby, 50,000 are being sold by Wells, Rich, Greene, Inc. (the "Company") and 359,900 shares are being sold by the Selling Stockholders named under "Selling Stockholders". The Company will not receive any of the proceeds from the sale by the Selling Stockholders. Prior to this offering there has been no public market for the Common Stock of the Company. The public offering price has been determined by agreement among the Company, the Selling Stockholders and the Underwriters.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION NOR HAS THE COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

	Price to Public	Underwriting Discount	Proceeds to the Company(1)	Proceeds to Selling Stockholders(1)
Per Share	$17.50	$1.20	$16.30	$16.30
Total	$7,173,250	$491,880	$815,000	$5,866,370

(1) Before deducting expenses estimated at $60,000 payable by the Company and $92,000 payable by the Selling Stockholders.

The Underwriters have offered to make available at the public offering price not more than 45,240 shares of the Common Stock being offered hereby for sale to certain persons designated by the Company. See "Underwriting". The number of shares available for offering to the general public will be reduced to the extent that such persons purchase shares reserved for them.

These shares are offered by the several Underwriters named herein, subject to prior sale, when, as and if delivered to and accepted by such Underwriters, subject to the approval of certain legal matters by Hughes, Hubbard, Blair & Reed, counsel for the Company and the Selling Stockholders, and Donovan Leisure Newton & Irvine, counsel for the Underwriters, and subject to certain other conditions.

White, Weld & Co.

The date of this Prospectus is October 31, 1968.

Until January 30, 1969 (90 days after commencement of the offering), all dealers effecting transactions in the registered securities, whether or not participating in this distribution, may be required to deliver a prospectus. This is in addition to the obligation of dealers to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

No dealer, salesman or other person has been authorized to give any information or to make any representations other than those contained in this Prospectus in connection with the offer contained in this Prospectus and any information, data or representations not contained herein must not be relied upon as having been authorized by the Company, by the Selling Stockholders or by any Underwriter. Neither the delivery of this Prospectus nor any sale made hereunder shall under any circumstances create an implication that there has been no change in the affairs of the Company since the date hereof. This Prospectus does not constitute an offer or solicitation with respect to any securities other than the 409,900 shares of Common Stock to which it relates or an offer or solicitation with respect to such stock by anyone in any state in which such offer or solicitation is not authorized, or in which the person making such offer or solicitation is not qualified to do so, or to any person to whom it is unlawful to make such offer or solicitation.

The Company has filed with the Securities and Exchange Commission, Washington, D. C., a Registration Statement under the Securities Act of 1933, as amended, with respect to the securities offered by this Prospectus. This Prospectus does not contain all the information set forth in the Registration Statement, certain items of which are contained in schedules and exhibits to the Registration Statement, as permitted by the rules and regulations of the Commission.

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IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE COMPANY'S COMMON STOCK AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE COMPANY

Wells, Rich, Greene, Inc. is an advertising agency which was founded by Mary Wells Lawrence, Richard L. Rich and Stewart Greene. It was incorporated under the laws of the State of New York and commenced business in April 1966. The Company has its principal offices in New York City. The "Company" as used herein includes Wells, Rich, Greene, Inc. and its subsidiaries, Wells, Rich, Greene, Ltd. and Wells, Rich, Greene International, Ltd.

The Company has grown from an organization of seven employees serving one client on April 30, 1966 to 273 employees serving 12 clients on September 30, 1968. It was the 38th largest advertising agency in the United States in 1967 in terms of gross billings, according to statistics published by *Advertising Age* based upon unaudited figures voluntarily submitted by 564 agencies. However, its operating history has been brief and, historically, the advertising industry has reacted quite sensitively to fluctuations in economic activity. There is no assurance that the Company's present rate of growth can or will be continued or that its present volume of business can be maintained.

The advertising agency business is a highly competitive personal service business and success depends to a great extent on the skill and creativity of the agency's staff and its relationships with its clients. Clients may terminate relationships with an agency on relatively short notice. Loss of one or more large clients, one of the founders of the Company or a number of key employees might have an adverse effect on the Company's earnings. The Company regards its present relations with its clients and key employees to be satisfactory. See "Business—Clients", "Business—Competition" and "Business—Personnel".

During the period from the organization of the Company through January 1, 1968, its founders, officers and directors acquired 681,000 shares of Common Stock for an aggregate cash contribution of $71,100, and in the same period other employees acquired 199,000 shares of Common Stock (including 10,000 treasury shares) for an aggregate cash contribution of $78,080. In April 1967 certain founders, officers and directors subscribed for 300,000 shares of Common Stock for an aggregate purchase price of $75,000, which consideration was paid in April 1968. In addition, during the period from January 1, 1968 through June 6, 1968, officers and directors acquired 70,000 shares of Common Stock for an aggregate cash contribution of $68,250 at prices ranging from $.25 to $1.70 per share and other employees acquired 210,600 shares of Common Stock for an aggregate cash contribution of $256,250 at prices ranging from $.25 to $1.50 per share. The number and class of shares referred to here and in the instances described hereafter have been adjusted for the ten-for-one split of the Company's Class A and Common Stock in July 1967 and for the exchange of each share of Class A and Common Stock for ten shares of Common Stock in August 1968. See "Management—Management Transactions".

The book value of the shares of Common Stock outstanding on September 30, 1968 was $1.73 per share. This book value would be increased to approximately $2.18 per share if adjusted for the sale of the shares offered hereby, resulting in an immediate dilution to the public investors of approximately $15.32 per share.

APPLICATION OF PROCEEDS

The estimated net proceeds of $763,000 to be received by the Company from the sale of the 50,000 shares it is offering hereby will be used to assist in paying the construction, decoration, furnishing and other costs which it will incur in moving its New York City offices to two and one-half floors of leased space in the new General Motors Building, 767 Fifth Avenue, New York City. The balance of such costs, anticipated to be approximately $1,000,000, is expected to be met through use of working capital and borrowings, subsequently to be arranged. See "Property".

STATEMENT OF CONSOLIDATED INCOME

The statement of consolidated income of Wells, Rich, Greene, Inc. and subsidiary company in so far as it relates to the seven-month period begun April 5, 1966 (the date Wells, Rich, Greene, Inc. commenced business) and ended October 31, 1966, the full year ended October 31, 1967, and the six-month period ended April 30, 1968, has been examined by Haskins & Sells, independent public accountants, as set forth in their opinion appearing elsewhere in this Prospectus. The statement for the six-month period ended April 30, 1967 and the eleven-month periods ended September 30, 1967 and 1968 is unaudited, but in the opinion of management of the Company, it includes all adjustments, which consist only of normal recurring accruals, necessary to a fair presentation of results of operations for such periods. The statement should be read in conjunction with its notes, the consolidated financial statements and the notes thereto and the information in the section "Business—Deferred Costs of Advertising and Product Development Services" appearing elsewhere in this Prospectus.

	Seven-Month Period Ended October 31, 1966	Year Ended October 31, 1967	Six-Month Period Ended April 30,		Eleven-Month Period Ended September 30,	
			1967	1968	1967	1968
			(Unaudited)		(Unaudited)	(Unaudited)
Gross Billings (Note A)	$5,342,275	$36,507,700	$14,019,130	$28,130,000	$29,217,800	$46,140,400
Revenue from Commissions and Service Fees (Note A)	$ 800,941	$ 5,473,418	$ 2,101,819	$ 4,217,391	$ 4,380,482	$ 6,917,604
Expenses (After deducting amounts charged to deferred costs of advertising and product development services—Note B):						
Salaries, wages and employee benefits	283,785	1,609,364	740,073	1,893,432	1,384,665	3,564,087
Allowance for depreciation and amortization	2,338	35,763	9,685	35,111	37,554	66,336
Other office and general expenses	170,495	1,095,302	417,210	975,088	875,901	1,589,546
Amortization of deferred expenses (Note B)	5,684	86,804	22,844	136,557	67,036	259,506
Total	462,302	2,827,233	1,189,812	3,040,188	2,365,156	5,479,475
Income Before Provision for Taxes on Income	338,639	2,646,185	912,007	1,177,203	2,015,326	1,438,129
Provision for Taxes on Income (Note C):						
Federal	137,236	1,129,509	375,889	536,719	849,490	665,836
State and other	36,381	298,694	103,102	147,969	226,784	187,354
Total	173,617	1,423,203	478,991	684,688	1,076,372	853,190
Net Income (Note D)	$ 165,022	$ 1,217,982	$ 433,016	$ 492,515	$ 938,954	$ 584,939
Average number of shares outstanding during each period adjusted retroactively for the ten-for-one stock split in 1967 and recapitalization in 1968	469,125	652,154	596,000	992,100	636,000	1,180,225
Per share of common stock:						
Net income	$ .35	$1.87	$ .73	$ .50	$1.48	$ .50
Pro forma net income (Note E)	$ .11	$ .84	$ .30	$ .34	$ .65	$ .40
Dividends—None						

NOTES:

A. Revenues from commissions and service fees represent commissions earned from advertising placed with various forms of media, production commissions billed or accrued on expenditures incurred for clients, and fees derived from miscellaneous services. In accordance with prevailing industry practice, "Gross billings" are included for statistical purposes and are calculated by multiplying "Revenues from commissions and service fees" by 6.67 since these revenues generally amount to 15% of such billings.

B. Because the costs which an advertising agency incurs shortly after its appointment and the costs incurred in connection with product development services are usually recoverable only against commissions from subsequent media billings, the Company defers these costs and amortizes them principally over thirty-six months following the start of media billings. (See "Business—Deferred Costs of Advertising and Product Development Services".) Any unamortized deferred costs attributable to clients or client products for which advertising services are terminated will be written off against commissions received during the final months of media billing.

Although the Company is not aware of any other advertising agency following this accounting method, the management is of the opinion that this accounting method more fairly matches these costs with their related revenues than expensing such costs as they are incurred.

The amounts of costs deferred during the seven-month period ended October 31, 1966, the year ended October 31, 1967, the six-month periods ended April 30, 1967 and 1968, and the eleven-month periods ended September 30, 1967 and 1968 were $100,458, $943,772, $181,569, $234,958, $852,723 and $519,831, respectively. The foregoing are exclusive of the provision for taxes relating thereto. (See Note C.)

C. The provision for taxes on income includes net deferred taxes (arising principally from the deferral of costs of certain advertising and product development services for financial accounting purposes referred to in Note B above) as follows:

	Federal	State and Other
Seven-month period ended October 31, 1966	$ 46,479	$10,651
Year ended October 31, 1967	430,475	98,650
Six-month period ended April 30, 1967	84,175	21,007
Six-month period ended April 30, 1968	122,056	28,754
Eleven-month period ended September 30, 1967	377,472	94,327
Eleven-month period ended September 30, 1968	130,819	33,913

Investment tax credits generated from purchases of property were applied as reductions of the provision for Federal income taxes in each of the periods; such credits were not material.

D. See Note 6 to Consolidated Financial Statements and the last paragraph on page 12 of the Prospectus under "Business—Personnel" for additional salary and employee benefit expenses to be incurred during fiscal periods commencing November 1, 1968 under the Company's Profit Sharing Plan, Executive Incentive Plan, and employment contract with the President and Chief Executive Officer.

E. Pro forma net income per share of Common Stock is based on the assumption that all of the 1,450,600 shares of Common Stock outstanding at September 30, 1968 were issued and outstanding as of April 5, 1965.

The Company's income before taxes as a percentage of revenues declined for the six-month period ended April 30, 1968 and the eleven-month period ended September 30, 1968 relative to the comparable periods in 1967 and as compared to the full year ended October 31, 1967. Furthermore, profit margins

during the seven-month period ended October 31, 1966 and the year ended October 31, 1967 were higher than those for the subsequent periods. These declines can generally be attributed to the disproportionate increases in the Company's salary and other expenses in relation to billings.

During its current fiscal year, the Company's income before taxes as a percentage of revenue was substantially lower in each month during the five-month period May through September compared with the previous year. Furthermore, the Company incurred a loss in each of the three months, June, July and August, 1968, totalling approximately $140,000 before taxes. During the five-month period ended September 30, 1968, the Company's gross billings increased 22% over gross billings for the same five-month period in 1967. However, income before taxes for the 1968 five-month period declined by 76% from the like period in 1967. The Company believes that the primary reasons for the decline in income before taxes during this period as compared with the corresponding period in 1967 were:

(i) There was an increase in salary expense resulting primarily from higher salary rates and also from additional employees who were hired in the executive, research, general services and accounting areas.

(ii) The billings of two major clients decreased.

(iii) A substantially greater amount of costs was deferred during the 1967 period ($671,000 in 1967 and $284,900 in 1968). In the 1967 period much of the Company's increased salary and related costs were attributable to new clients and products which had not commenced billings; such costs were therefore deferred under the Company's accounting policy. (See "Business—Deferred Cost of Advertising and Product Development Services".) In the 1968 period, the principal portion of the Company's increased salary and related costs was not related to new clients and products, and was therefore charged against the Company's current revenues.

The Company expects to continue to hire additional employees to service its increased business and expects that salary and related expenses will continue to increase.

In addition to being affected by the above-described decline in income before taxes, net income declined during the six-month period ended April 30, 1968 and the eleven-month period ended September 30, 1968 from the comparable periods in 1967 because of the 10% Federal income tax surcharge and the increase in the state income tax rate (approximately six cents per share for the eleven-month period ended September 30, 1968).

CAPITALIZATION

The capitalization of the Company at September 30, 1968, and as adjusted to reflect the issuance and sale of the 50,000 shares of Common Stock offered by the Company hereby, is set forth in the following table:

Title of Class	Outstanding	To Be Outstanding
Common Stock, par value $1.00 per share; authorized 5,000,000 shares	1,450,600(1)	1,500,600(1)

(1) Not including 100,000 shares reserved as follows: (i) 32,100 shares reserved for issuance upon the exercise of stock options issued at the price the shares are being offered hereby on October 30, 1968 and 17,900 shares

reserved for future issuance upon the exercise of stock options to be granted pursuant to the Stock Option Plan of the Company, and (ii) 41,900 shares reserved for issuance upon the exercise of purchase rights issued at forty per cent of the price the shares are being offered hereby on October 30, 1968 and 8,100 shares reserved for future issuance upon the exercise of rights to be granted pursuant to the Incentive Stock Purchase Plan of the Company.

See Note 7 to Consolidated Financial Statements for information concerning the extent of obligations under leases on real property.

DIVIDENDS

In view of its short operating history, the Company has followed the policy of reinvesting earnings in its business and has not paid any cash dividends on its Common Stock. Although the Company does not intend at this time to change such policy, it will consider the payment of dividends in the future in light of conditions then existing, including the Company's earnings, financial requirements, business conditions and other factors.

BUSINESS

The Company attempts to increase its clients' sales through the creation and execution of effective advertising suitable to the client and its product or service. An advertising program is proposed by the Company after a study of the client's products or services, its present and potential markets, the objectives of the client and the available media. Such a proposal includes recommendations as to the advertising message to be presented, the media plan (e.g. use of television, radio, newspapers, magazines and outdoor advertising) and also recommendations with respect to such other matters as product packaging, sales promotion, fashion and styling. After the client and the Company have agreed on the advertising program, the Company writes and produces commercials for use on television and radio and writes, designs, and illustrates advertising for printed media. The Company also contracts for advertising time and space, and arranges for the timely distribution of advertising materials to the media for broadcast or publication.

Revenue from Commissions and Service Fees

The Company derives its revenue from three principal sources:

Media Commissions—The primary source of the Company's revenue is commissions earned from advertising placed with the various media. After an advertising campaign has been approved by a client, the Company purchases time and space from the appropriate advertising media. Clients pay the Company for these charges and the Company in turn pays the media, less the agency commission (usually 15%).

Normally, the Company is primarily liable for payment to media. The billing and paying procedures established by the Company with its clients, whether by written contract or practice, require that payment be received from the client in sufficient time for the Company to make the corresponding payment to media. In this manner the Company attempts to preserve working capital for use in its general operations. Any discounts earned by the Company for prompt payment are remitted to the client.

Production Commissions and Special Charges—Material, labor and talent for the production of finished commercials and advertisements are usually supplied and processed by independent contractors

under the direction and supervision of the Company's creative and production staffs. The Company charges the client a percentage (usually 17.65%) of the contractor's bills. Clients also pay special charges for certain production work done by personnel of the Company.

Fees—In some instances the Company charges a fixed fee for services performed for clients in connection with a particular advertising or product problem. To date these services have been principally for the development of an advertising and marketing program for new products. (See "Business—Deferred Costs of Advertising and Product Development Services.")

The following table sets forth the percentages of revenue derived from each source during the periods indicated:

Category	Seven-month period ended October 31, 1966	Year ended October 31, 1967	Eleven-month period ended September 30, 1967	Eleven-month period ended September 30, 1968
Media Commissions:				
Television and Radio	45.4%	63.9%	62.7%	60.0%
Newspaper and Magazine	35.0	17.5	18.4	21.0
Outdoor Advertising	—	1.3	1.6	1.0
Total	80.4	82.7	82.7	82.0
Production Commissions and Special Charges:				
Production Commissions	10.1	10.6	9.9	13.3
Special Charges	2.6	1.0	0.8	1.3
Total	12.7	11.6	10.7	14.6
Fees	6.9	5.7	6.6	3.4
Total	100.0%	100.0%	100.0%	100.0%

Deferred Costs of Advertising and Product Development Services

During the period immediately following the Company's appointment as advertising agency by a new client and before media billing commences (generally three months), the Company devotes substantial time and expense to a study of the client's products, markets, objectives and media plans and to the creation of an advertising strategy, including an initial campaign. Apart from fees received to reimburse the Company for a portion of these expenses, no revenue is expected to be obtained until the start of media billing.

The Company, therefore, has adopted the policy of deferring these initial period costs plus related overheads, less fees, if any, applicable thereto and amortizing them on a straight-line basis over a thirty-six month period beginning with the month of initial media billing, with a small portion of such net costs, estimated as attributable to the initial campaign, being amortized in a like manner over an eighteen-month period.

Similarly, when a client requests services to develop marketing and other promotion ideas for new products, the costs of which are recoverable only against media billing as such products are advertised,

the Company defers the net costs and overheads relating to these development services and amortizes them on a straight-line basis over a thirty-six month period beginning with media billing.

Any unamortized deferred costs attributable to clients or clients' products for which the Company's advertising services are terminated will be written off against commissions received during the final months of media billing (generally three months). Furthermore, if the level of media billings for a client or product subsequently declines to such an extent that all or a portion of the unamortized deferred costs applicable thereto cannot reasonably be expected to be recovered from related revenue from commissions and service fees, such portion of the unamortized deferred costs will be charged to operations during the fiscal year during which such decline in media billings occur.

Although the Company is not aware of any other advertising agency following the aforementioned accounting method, management is of the opinion that this accounting method more fairly matches these costs with their related revenues than expensing such costs as they are incurred. If such costs were not deferred, the acquisition of a new client or product (a favorable development) could have a temporary adverse effect on earnings for the period subsequent to the Company's appointment and prior to the commencement of related media billing. The loss of a client as to which the Company has unamortized deferred costs (net of applicable deferred income taxes) would have more of an adverse effect on earnings resulting from the write-off of such unamortized deferred costs during the final months of related media billings than if such accounting method was not followed.

Clients

Set forth below is a list of the Company's clients as of September 30, 1968, and the month during which revenue for each client commenced or is expected to commence. Not included in the list is Braniff Airways, Inc., for which billings commenced in June 1966. The Company's relationship with Braniff is to terminate on November 30, 1968. There are no unamortized deferred costs attributable to Braniff.

In many cases the Company's clients are also served by other advertising agencies. In such cases only those products handled by the Company are listed and the month during which revenue commenced or is expected to commence for each product is indicated. In the case of a few products, budgets have been approved by the clients but billings have not commenced.

Client	Month
American Motors Corporation	September 1967
Automotive Products	September 1967
Bristol-Myers Co.	August 1966
Score	June 1967
General Mills, Inc.	October 1967
Joey Chips	October 1967
Bugles	October 1967
Buttons	November 1967
Bows	November 1967
Whistles	December 1967
Daisy's	December 1967
Pizza Spins	March 1968
Barbecue Vittles	May 1968
Various New Snack Products	May 1968

Client	Month
Hunt-Wesson Foods, Inc.	
Wesson Oil	May 1967
Buttery Flavor Oil	May 1967
Philip Morris Incorporated	
Benson & Hedges 100's	July 1966
Benson & Hedges DeLuxe	July 1966
Benson & Hedges 85's	September 1966
	January 1968
American Safety Razor Co.	
Personna	August 1966
Burma Shave	August 1966
Speakeasy	September 1966
	August 1967
The Gum and Confections Division	
Kit Kat	November 1966
Aero	October 1967
Coffee Crisp	October 1967
Fruit Smash	October 1967
Stolen Goodies	October 1967
Money Bags	October 1967
Suchard Chocolate	October 1967
	November 1967
The Procter & Gamble Company	
Gleem	November 1968
	November 1968
Jos. E. Seagram & Sons, Inc.	
New Product	August 1967
	April 1968
Browne-Vintners Co.	
Boodles British Gin	August 1967
Cherry Kijafa	August 1967
Ricasoli Wines	November 1967
Mumm's Champagne	January 1968
Nectarose Wine	January 1968
Noilly Prat	March 1968
B&G French Wines	March 1968
	March 1968
Calvert Distillers Co.	
Passport Scotch	April 1968
	April 1968
Sicks' Rainier Brewing Co.	
Rainier Beer	March 1967
Spur Malt Liquor	March 1967
	March 1967

Client	Month
Smith Kline & French Laboratories A new product line for the Menley and James Laboratories Division	May 1967
Trans World Airlines, Inc. Domestic and International Passenger Operations	November 1968 November 1968
The West End Brewing Co. Utica Club Beer	November 1966 November 1966
The Western Union Telegraph Co.	January 1967

In addition to the clients listed above, the Company provides advertising services to The National Kidney Foundation on a non-profit basis.

The Company's largest client accounted for approximately 45.7% of the Company's revenue from commissions and service fees for the year ended October 31, 1967 and 29.2% during the eleven months ended September 30, 1968. The Company's three largest clients in the aggregate accounted for 77.2% and 63.7% of such revenue during the two respective periods.

The Company has contracts with a number of its clients. However, as is customary in the advertising agency business, relationships between clients and the Company, whether or not evidenced by a contract, are generally terminable by either party on short notice and clients may reduce advertising budgets at any time.

Foreign Operations

On August 15, 1968, Trans World Airlines, Inc. appointed the Company, to be its advertising agency for all of its domestic and foreign passenger operations. Because Trans World Airlines, Inc. has substantial overseas business with its principal European office located in Paris, the Company decided to open an office there and appoint local agencies as its affiliates in other countries. This method had been used by the Company in South America for the Braniff Airways, Inc. account. Accordingly, the Company has contracted with some agencies and is negotiating with others throughout Europe. The same procedure is being followed in the Far East through an office with two employees which has been established in Hong Kong.

The Company has obtained a lease for an office in Paris and expects to begin operations on November 1, 1968. Several people have been hired to staff the Paris office and the Company is now engaged in hiring additional personnel. It is anticipated that approximately 20 persons will work in the Paris office.

Competition

The advertising agency business is highly competitive. The Company is recently organized and must compete for highly qualified personnel and clients against many agencies with greater financial resources and longer operating histories. Although the Company believes it has been successful in meeting this competition to date, it can give no assurance that it will be able to continue to do so.

While the Company has exhibited to potential clients examples of advertising it has produced, it has not attempted to attract new clients by use of "new client presentations". A "new client presentation" is the creation and presentation of proposed advertising for a prospective client's product. The cost of such new client presentations is absorbed by an agency, even if, as frequently occurs, such agency is not appointed. No assurance can be given that the Company can continue to attract new clients without making such presentations.

Personnel

As of September 30, 1968, the Company employed 273 persons, all but 31 of whom were employed in its New York offices, in five general areas:

Creative Services—The Company employed 50 persons to conceive and create advertising and to write and illustrate the commercials and advertisements produced by the Company. They also assist in the supervision and direction of the production of these commercials and advertisements.

Account Services—The Company employed 53 persons who are responsible for account management. They act as liaison between clients and the Company, coordinate the planning of advertising campaigns and assist in the supervision of advertising budgets and marketing activities of the clients.

Production—The Company employed 36 persons to produce television and radio commercials and print advertisements. They secure, coordinate and direct the services of outside contractors who furnish typography, artwork, photography, film production, talent and other elements required in the preparation of finished advertising.

Media and Research—The Company employed 49 persons who plan and recommend media programs, prepare cost estimates, buy time and space, conduct media, market and copy research projects and analyze and apply the results thereof.

Administration and General Services—The Company's remaining 85 employees were engaged in such functions as finance and accounting, personnel, purchasing, traffic and other general office and management functions.

Mary Wells Lawrence has made a significant contribution to the growth of the Company and the loss of her services might have a substantial adverse effect on the Company's business and earnings. Pursuant to an agreement entered into shortly after the formation of the Company, Mrs. Lawrence, Messrs. Rich, Greene and Lemont (the then holders of all of the outstanding voting shares of the Company) agreed that the business of the Company would be conducted by Mrs. Lawrence as President in her sole discretion and that she could vote their shares so as to implement such power. This voting agreement terminates upon the offering of the shares hereby.

The Company has an agreement with Mrs. Lawrence in which she agrees to serve as President and Chief Executive Officer. This contract is terminable by either party on 30 days' notice and if Mrs. Lawrence terminates she has agreed not to compete with the Company for one year after such termination. Beginning on November 1, 1968, her annual basic compensation is $175,000, of which $50,000 is deferred. In addition, Mrs. Lawrence shall receive 25% of the total amount available for awards under the Executive Incentive Plan in each fiscal year. The amount available is limited to the lesser of 10% of pre-tax income as defined in the Plan or $600,000 and accordingly Mrs. Lawrence's share cannot exceed $150,000. (See "Management—Executive Incentive Plan".) In the event that Mrs. Lawrence should

die while employed, $1,000,000 will be paid to her named beneficiaries, $500,000 immediately upon her death and $500,000 in twenty equal annual installments. To cover its liability under this provision, the Company owns and is beneficiary under a $2,000,000 insurance policy on the life of Mrs. Lawrence.

The loss of the services of Messrs. Rich, Greene, Fisher or of a number of key employees might also adversely affect the Company's business and earnings. The Company does not have an employment contract with Messrs. Rich, Greene or Fisher. The Company owns and is the beneficiary under insurance policies in the amount of $2,000,000 each which it carries on the lives of Messrs. Rich and Greene. Sylvester "Pat" Weaver, Director of Communications, is the only other employee under contract with the Company. His contract, expiring at the end of 1971, provides for annual compensation of $100,000 of which $30,000 is deferred. (See Note 7 to Consolidated Financial Statements.)

PROPERTY

The Company's offices are located in leased premises in New York City, Birmingham, Michigan, Los Angeles, California, Lima, Perú and Paris, France.

The principal office is located at 575 Madison Avenue, New York, New York and consists of approximately 18,000 square feet for which the Company pays an annual rental of $102,170. This lease is for an initial term of five years and eleven months, expiring April 29, 1972 and the Company has an option to extend the term for an additional four years at the reduced annual rental of $97,260. The Company also leases approximately 4,000 square feet in the same building for a three and one-half year term expiring on April 30, 1971 at an annual rental of $30,000 and approximately 3,171 square feet for an eight-month term expiring on February 28, 1969 for a total rental of $21,140. This short-term space was taken to satisfy interim needs prior to the anticipated move into larger offices referred to below. All of the foregoing rentals are inclusive of electricity. Subject to the landlord's consent, the Company intends to sublease its space at 575 Madison Avenue subsequent to moving its principal offices to the General Motors Building as described below.

The Company leases approximately 7,800 square feet at 625 Madison Avenue, New York, New York at an annual rental of $48,937, inclusive of electricity, for a two-year term expiring June 30, 1969. It does not intend to seek to renew its lease for this space.

The Company has executed two leases covering two and one-half floors in the new General Motors Building located at 767 Fifth Avenue, New York, New York. The terms of the leases commenced on September 1, 1968 and the Company commenced paying rent under the leases on such date. The Company anticipates that it will commence the move of its principal office to the building in February 1969. One lease provides for the rental of approximately 57,829 square feet comprising the 28th and 29th floors of the building for fifteen years at an annual rate of $7.95 per square foot or an annual aggregate rental of $459,740. The other lease provides for the rental of approximately 15,102 square feet on the 30th floor for nine years and eleven months at an annual rate of $10 per square foot or an annual aggregate rental of $151,020. The Company has the right to sublease the space covered by both of these leases, subject to the requirement that the space first be offered back to the lessor at the rental set forth in the lease.

The Company also leases 3,158 square feet at 4050 West Maple Road, Birmingham, Michigan at an annual rental of $18,158. This lease has an expiration date of September 1, 1972 but may be

terminated by the Company for any reason as of August 31, 1970. In the event that the Company shall have ceased to represent American Motors Corporation, this lease may be terminated by the Company as of August 31, 1969 upon paying six months' rent as a penalty.

The Company leases approximately 700 square feet of office space in Los Angeles, California under a one-year lease expiring June 14, 1969 at a total rental of $4,140 and approximately 6,000 square feet of office space at Avenida República de Chile 376, Lima, Perú, at an average annual rental of $10,450 for a three-year term expiring December 31, 1969. The Company currently is negotiating to terminate the Lima lease and presently intends to close its office there.

The Company leases approximately 4,000 square feet of office space at 12 Avenue George V, Paris, France, at an annual rental of $36,000 for a twenty-three month term expiring September 30, 1970.

MANAGEMENT

The directors and executive officers of the Company and their respective positions, at October 25, 1968 are shown below:

Name	Position
Mary Wells Lawrence	Chairman of the Board of Directors, President and Chief Executive Officer
Richard L. Rich	Senior Vice President, Chairman of the Strategy Board, Director
Stewart Greene	Senior Vice President, Chief Operating Officer for Creative Services, Director
Herbert Fisher	Senior Vice President, Chief Operating Officer for Management and Administration, Director
Thomas E. Bohan	Vice President—International
Frank G. Colnar	Vice President—Financial Planning
Fred L. Lemont	Vice President—Account Services
Charles Moss	Vice President—Creative Director
Frederick L. Jacobs	Vice President—Administration, Secretary, Treasurer, Director
Arnold M. Grant	Director
Leland Hayward	Director
Troy V. Post	Director
Emilio Pucci	Director

Mary Wells Lawrence joined Jack Tinker and Partners, a division of the Interpublic Group of Companies, in 1964 and was a Senior Partner when she left in 1966. From 1956 to 1964, she was employed by Doyle Dane Bernbach Inc. and held the position of Vice President and Associate Copy Chief at the time she left. Before joining Doyle Dane Bernbach Inc., Mrs. Lawrence was employed for four years at McCann-Erickson, a division of the Interpublic Group of Companies, as a Copy Group Head. Mrs. Lawrence is the wife of Harding L. Lawrence, President of Braniff Airways, Inc. and a director of Norton Simon, Inc., the parent company of Hunt-Wesson Foods, Inc.

Richard L. Rich, who has been actively engaged as a copywriter for more than 15 years, was employed by Jack Tinker and Partners from 1964 to 1966. For approximately a year immediately prior thereto, he was employed as a copywriter at Papert, Koenig, Lois, Inc. From 1962 to 1964, he was employed as a copywriter at Doyle Dane Bernbach Inc.

Stewart Greene in 1966 left his position as a Partner of Jack Tinker and Partners where he had been employed since 1962. For approximately five years prior to 1962, he had been Art Director and Group Supervisor at Daniel & Charles, Inc. Before holding such position, Mr. Greene had been employed as an Art Director by the Lawrence C. Gumbinner agency for six years.

Herbert Fisher had been employed as the Merchandising Manager of the Lincoln-Mercury Division of the Ford Motor Company for approximately eight years immediately prior to joining the Company in July 1967. Prior to holding such position, he had been employed as Consumer Research Director for Chrysler Corporation, and, before that, as Associate Director of Market Research for the J. Walter Thompson Company.

Thomas E. Bohan, who is also the President of Wells, Rich, Greene International, Ltd., joined the Company in April 1966, after leaving his position as a Partner of Jack Tinker and Partners, where he had been employed since 1965. For approximately eight years prior thereto, he was employed as an account supervisor at Compton Advertising, Inc.

Frank G. Colnar joined the Company in June 1968, after leaving his position as Assistant Vice President, Financial Planning, of Continental Airlines, Inc., where he had been employed for more than twenty years.

Fred L. Lemont, who joined the Company in 1966, was employed for the two years immediately prior thereto by Carter-Wallace, Inc. as Marketing Vice President of the Carter Products Division. From 1957 to 1964, he was employed as an Account Group Head at Ted Bates and Company and was a Vice President of that agency.

Charles Moss has been employed by the Company since April 1966. Prior thereto, he was a copy supervisor at Jack Tinker and Partners for approximately a year, and a copywriter at Doyle Dane Bernbach Inc. from 1962 to 1965.

Frederick L. Jacobs has rendered accounting services to the Company since its organization and received $18,500 for such services prior to March 1, 1967 when he became an employee of the Company. Since that time the Company has paid the firm in which he is a partner a retainer at the rate of $15,000 per year for internal accounting services rendered by another member of such firm. For approximately fourteen years prior to joining the Company, Mr. Jacobs maintained his own practice as an attorney and certified public accountant.

Arnold M. Grant was elected a director of the Company in August 1968. Mr. Grant has been engaged in the practice of corporate and tax law in the states of New York and California for 39 years. He is a member of the Board of Directors of Continental Airlines, Inc., Kayser-Roth Corporation and of the board of trustees of Syracuse University and the Eleanor Roosevelt Memorial Foundation.

Leland Hayward was elected a Director of the Company in August 1968. Mr. Hayward has been a theatrical, television and motion picture producer for more than twenty years. He has also served on the Board of Directors of Trans World Airlines, Inc. and Pacific Airlines.

Troy V. Post was elected a Director of the Company in June 1968. Mr. Post was associated with the Greatamerica Corporation since its inception in 1962 and retired as Chairman of its Board of

Directors in January 1968. Since then, Mr. Post has been involved with personal investments and philanthropies.

Emilio Pucci was elected a Director of the Company on October 21, 1968. Mr. Pucci in private life is the Marchese de Barsento and is a member of the Italian Parliament. He has been a fashion designer for more than twenty years.

Remuneration

Information is set forth below with respect to the remuneration for the fiscal year ending October 31, 1968 of each director, and each of the three highest paid officers of the Company, whose aggregate direct remuneration exceeded $30,000, and of all persons as a group who were directors or officers during such fiscal year.

Name of Individual Or Identity of Group	Capacities in Which Remuneration Was Received	Aggregate Direct Remuneration(1)(2)
Mary Wells Lawrence	President and Chief Executive Officer	$114,263
Richard L. Rich	Senior Vice President and Treasurer	103,846
Stewart Greene	Senior Vice President and Secretary	103,846
All Directors and Officers as a Group (9 persons)		$688,157

(1) Mary Wells Lawrence, Richard L. Rich and Stewart Greene received compensation for their services as employees of the Company from the time it commenced business in April 1966 through October 31, 1967 in the aggregate amounts of $165,090, $116,539 and $116,539, respectively. Commencing November 1, 1968, Mrs. Lawrence and Messrs. Rich, Greene, Fisher and Jacobs will be paid annual basic compensation at the rate of $175,000, $100,000, $100,000, $80,000, and $65,000, respectively. On such date the nine officers and directors as a group will be paid annual basic compensation in the aggregate approximate amount of $775,000. In December 1967 the Company made a non-interest bearing loan of $35,000 to Mr. Rich, which loan was repaid in the same month.

(2) See "Stock Option Plan", "Incentive Stock Purchase Plan", "Profit Sharing Plan" and "Executive Incentive Plan" with respect to other remuneration payments which will be made in the future to officers and directors.

Management Transactions

At the time of the Company's organization, Mrs. Lawrence and Messrs. Rich and Greene made cash contributions to capital of $30,100, $1,000 and $15,000, respectively, receiving in consideration therefor 301,000, 10,000 and 150,000 shares of Common Stock, respectively. Subsequently, Mr. Rich purchased 290,000 additional shares of Common Stock for an aggregate consideration of $51,500 and Mr. Greene purchased 150,000 shares for an aggregate consideration of $37,500. In addition, Fred L. Lemont purchased 100,000 shares of Common Stock for an aggregate consideration of $68,250 and Frederick L. Jacobs purchased 50,000 shares for an aggregate consideration of $11,000.

Incentive Plans

The Company has adopted a Profit Sharing Plan for substantially all employees and three additional employee benefit plans to offer incentives in addition to current compensation to key employees who are making substantial contributions to the success of the Company and to motivate them by a proprietary interest in the Company to continue in its service. These plans shall be administered by a Compensation Committee (the "Committee") which is composed of three directors, none of whom are employees of the Company. See below and Note 6 to Consolidated Financial Statements.

Stock Option Plan— On August 20, 1968 the Company adopted a qualified Stock Option Plan under which a total of 50,000 shares of Common Stock are reserved for the grant of options (subject to adjust-

ment for stock splits, stock dividends or any similar change affecting the Common Stock). The options will be "qualified stock options" within the meaning of Section 422 of the Internal Revenue Code. The option price in each instance shall be 100% of the fair market value of the Common Stock on the date the option is granted. The Committee will determine the key employees to receive options and the number of shares to be granted to each employee.

Options to purchase 32,100 shares at the price the shares are being offered hereby were granted under the Plan to ten employees (none of whom are officers or directors) on October 30, 1968.

Incentive Stock Purchase Plan—On August 20, 1968 the Company adopted an Incentive Stock Purchase Plan under which key employees of the Company may be granted the right to purchase up to a total of 50,000 shares of Common Stock (subject to adjustment for stock splits, stock dividends or any similar change affecting the Common Stock) at a price equal to 40% of market value. The Committee, subject to the approval of the Board of Directors, will determine the employees to be given the right to purchase shares under the Plan and the number of shares each may purchase. The Committee has imposed restrictions on the transferability of shares acquired under the Plan and has required resale of such shares to the Company at the purchase price if the employee's employment is terminated for cause or if he engages in activity considered detrimental to the business of the Company. Such provisions are to be imposed by an agreement entered into by the employee at the time of purchase. Such agreement will provide that the restrictions will lapse each year of the restricted period as to a certain portion of the shares under restriction.

The Company on October 30, 1968 granted 12 employees rights to purchase 41,900 shares (of which rights for 25,000 shares were granted to Frank G. Colnar) under the Plan at a price of $7.00 per share, 40% of the price at which the shares are being offered hereby.

Profit Sharing Plan— On August 20, 1968 the Company adopted a Profit Sharing Plan, effective as of the fiscal year commencing November 1, 1968, to which it may in its discretion contribute out of annual profits in each fiscal year an amount not exceeding the lower of five per cent of net income from operations before provision for taxes and incentive plan contributions or the amount permitted under the Internal Revenue Code as a deductible expense for that fiscal year (usually 15% of total compensation). The Plan is designed to be a qualified profit sharing plan under Section 401 of the Internal Revenue Code.

The amount, if any, of the annual contribution by the Company shall be determined by the Committee. Such determination initially shall be made as of the fiscal year ending October 31, 1969.

Executive Incentive Plan—On August 20, 1968, the Company adopted an Executive Incentive Plan, effective with the fiscal year commencing November 1, 1968, under which it will allocate 10% of annual income from operations before provision for taxes and incentive plan contributions, but not more than $600,000 to an annual fund for the benefit of certain key employees. The Committee will determine the employees eligible for awards and the amount of each employee's award (which amount shall not exceed the amount of the employee's basic compensation). The Plan provides that Mrs. Lawrence shall receive an award each year of 25% of the annual fund, but not more than $150,000, and that the Committee may use part or all of the fund to make awards to other key employees. Any employee who receives an award under this Plan shall not be eligible to participate in the contribution by the Company to the Profit Sharing Plan for the fiscal year on which the award is based. The Committee in its discretion may agree to an employee's request that the payment of the award be deferred.

PRINCIPAL STOCKHOLDERS

As of September 30, 1968, the following persons owned beneficially and of record the following amounts of Common Stock:

Name and Address	Number of Shares of Common Stock Owned	Percent of Outstanding Common Stock
Mary Wells Lawrence One East End Avenue New York, New York	301,000	20.8%
Richard L. Rich 323 West 22nd Street New York, New York	300,000	20.7%
Stewart Greene 1815 Heritage Way Manhasset, New York	300,000	20.7%

All directors and officers as a group owned of record and beneficially 1,191,100 shares of Common Stock (82.1%) as of September 30, 1968. After the sale of the shares offered hereby they will own as a group 893,075 shares of Common Stock (59.5%).

SELLING STOCKHOLDERS

Set forth below is certain information, as of September 30, 1968, with respect to each stockholder who is selling shares hereby. In each instance ownership is both of record and beneficial.

Name	Number of Shares of Common Stock Owned	Number of Shares of Common Stock to Be Sold	Number of Shares of Common Stock to Be Owned After Sale
Mary Wells Lawrence	301,000	75,250	225,750
Richard L. Rich	300,000	75,000	225,000
Stewart Greene	300,000	75,000	225,000
Gennaro R. Andreozzi	5,000	1,250	3,750
John G. Avrett	5,000	1,250	3,750
Thomas E. Bohan	25,000	6,250	18,750
John V. Burns	10,000	2,500	7,500
Rita F. Connor	2,500	625	1,875
George D'Amato	10,000	2,500	7,500
Stanley G. Dragoti	10,000	2,500	7,500
Robert P. Engelke	10,000	2,500	7,500
Joan B. Evans	1,000	250	750
Grace Feldman	10,000	2,500	7,500
Herbert Fisher	65,100	16,525	48,575
Catherine K. Gibson	5,000	1,250	3,750
Herbert M. Green	10,000	2,500	7,500

Name	Number of Shares of Common Stock Owned	Number of Shares of Common Stock to Be Sold	Number of Shares of Common Stock to Be Owned After Sale
Rene Guion	10,000	2,500	7,500
Thomas W. Heck	5,000	1,250	3,750
Frederick L. Jacobs	50,000	12,500	37,500
Murray Jacobs	5,000	1,250	3,750
Gerald A. Kessler	2,500	625	1,875
Fred L. Lemont	100,000	25,000	75,000
Richard Levine	10,000	2,500	7,500
Odell T. Lewis	1,000	250	750
Paul E. Margulies	5,000	1,250	3,750
John F. Mari	1,000	250	750
William D. McGivney	10,000	2,500	7,500
Richard V. Morse	10,000	2,500	7,500
Charles Moss	50,000	12,500	37,500
Victor L. Olesen	2,500	625	1,875
Phillip F. Parker	25,000	6,250	18,750
Nancy Perl	2,000	500	1,500
Robert Reitzfeld	10,000	2,500	7,500
Morton Scharfman	2,500	625	1,875
Robert Schulman	10,000	2,500	7,500
Harold Singer	2,500	625	1,875
Irving M. Sloan	10,000	2,500	7,500
Martin Stern	10,000	2,500	7,500
Nat Waterston	2,500	625	1,875
Sylvester Weaver	25,000	6,250	18,750
Lewis S. Wechsler	5,000	1,250	3,750
C. A. Wolfe	2,500	625	1,875
Totals	1,438,600	359,900	1,078,950

In addition to the above shares, options under the Stock Option Plan and rights under the Incentive Stock Purchase Plan were granted on October 30, 1968 to the Selling Stockholders, as follows (See "Management—Incentive Plans"):

Name	Number of Shares Under Stock Option Plan	Number of Shares Under Incentive Stock Purchase Plan
Stanley G. Dragoti	11,400	3,600
Nat Waterston	1,900	600
C. A. Wolfe	1,900	600

DESCRIPTION OF COMMON STOCK

The Company's Certificate of Incorporation authorizes one class of Common Stock. Holders of shares of Common Stock are entitled to receive such dividends as may be declared by the Board of Directors from funds legally available therefor and, upon liquidation, are entitled to share pro rata in any distribution to stockholders. The holders of shares of Common Stock have one vote per share and do not have preemptive rights. Shares of Common Stock are not redeemable and do not have conversion rights. Issued shares of Common Stock are not liable to assessment or further calls by the Company, subject to the provisions of Section 630 of the New York Business Corporation Law.

Certain of the present stockholders who are employees of the Company, holding an aggregate of 484,600 shares, have entered into agreements with the Company whereby each stockholder has agreed not to sell during 1968 any of the shares held at the time of execution of such agreement, other than the shares being offered hereby or, if such stockholder is not offering shares hereby, other than 25% of the holdings of such stockholder. Such restriction shall expire as to the remainder in equal annual installments on January 15, 1969, 1970 and 1971.

The Company intends to furnish stockholders with annual reports which will contain audited financial statements and with semi-annual reports containing unaudited financial information.

Non-Cumulative Voting

The Common Stock has non-cumulative voting rights which means that the holders of more than 50% of the shares voting for the election of directors can elect all of the directors if they choose to do so and, in such event, the holders of the remaining shares will not be able to elect any directors.

Transfer Agent and Registrar

The Transfer Agent for the Common Stock of the Company is Chemical Bank New York Trust Company, 20 Pine Street, New York, New York 10015 and the Registrar therefor is United States Trust Company, 45 Wall Street, New York, New York 10005.

UNDERWRITING

The Underwriters named below, acting through their Representative, White, Weld & Co., have severally agreed, subject to the terms and conditions contained in the Underwriting Agreement, to purchase from the Company and the Selling Stockholders the following respective numbers of shares of Common Stock:

Name	Address	Number of Shares to Be Purchased
White, Weld & Co.	20 Broad Street, New York, N. Y. 10005	65,[illegible]
Abraham & Co.	120 Broadway, New York, N. Y. 10005	2,750
Arnhold and S. Bleichroeder, Inc.	30 Broad Street, New York, N. Y. 10004	5,000
Bache & Co. Incorporated	36 Wall Street, New York, N. Y. 10005	7,500
Bacon, Whipple & Co.	135 South LaSalle Street, Chicago, Ill. 60603	5,000
Robert W. Baird & Co., Incorporated	731 North Water Street, Milwaukee, Wisc. 53201	5,000
Ball, Burge & Kraus	1414 Union Commerce Bldg., Cleveland, Ohio 44115	5,000
Bateman Eichler, Hill Richards Incorporated	400 South Spring Street, Los Angeles, Calif. 90013	5,000
Bear, Stearns & Co.	One Wall Street, New York, N. Y. 10005	7,500
A. G. Becker & Co. Incorporated	60 Broad Street, New York, N. Y. 10004	7,500
Blair & Co., Inc.	20 Broad Street, New York, N. Y. 10005	7,500

Name	Address	Number of Shares to Be Purchased
Blunt Ellis & Simmons	111West Monroe Street, Chicago, Ill. 60603	5,000
Blyth & Co., Inc.	14 Wall Street, New York, N. Y. 10005	12,500
Boenning & Co.	The Alison Building, Rittenhouse Square, Philadelphia, Pa. 19103	2,750
Bosworth, Sullivan & Company, Inc.	660 Seventeenth Street, Denver, Colo. 80202	3,500
Butcher & Sherrerd	1500 Walnut Street, Philadelphia, Pa. 19102	5,000
Dain, Kalman & Quail, Incorporated	110 South Sixth Street, Minneapolis, Minn. 55402	5,000
Davis, Skaggs & Co.	160 Sansome Street, San Francisco, Calif. 94104	2,750
R. S. Dickson & Company, Incorporated	1500 Wachovia Bldg., Charlotte, N. C. 28202	5,000
Dominick & Dominick, Incorporated	14 Wall Street, New York, N. Y. 10005	7,500
Drexel Harriman Ripley, Incorporated	60 Broad Street, New York, N. Y. 10004	12,500
Eastman Dillon, Union Securities & Co.	One Chase Manhattan Plaza, New York, N. Y. 10005	12,500
Equitable Securities, Morton & Co. Incorporated	Two Wall Street, New York, N. Y. 10005	7,500
Faulkner, Dawkins & Sullivan Securities Inc.	60 Broad Street, New York, N. Y. 10004	5,000
Ferris & Company	611 Fifteenth Street, N.W., Washington, D. C. 20005	2,750
First Nebraska Securities Corporation	1001 "O" Street, Lincoln, Neb. 68501	3,500
Robert Garrett & Sons, Inc.	South and Redwood Streets, Baltimore, Md. 21203	3,500
Goodbody & Co.	55 Broad Street, New York, N. Y. 10004	7,500
Halle & Steiglitz	52 Wall Street, New York, N. Y. 10005	3,500
Hayden, Stone Incorporated	25 Broad Street, New York, N. Y. 10004	7,500
E. F. Hutton & Company Inc.	One Chase Manhattan Plaza, New York, N. Y. 10005	7,500
W. E. Hutton & Co.	14 Wall Street, New York, N. Y. 10005	7,500
Interstate Securities Corporation	221 South Tryon Street, Charlotte, N. C. 28202	3,500
Jaffee & Co.	50 Broadway, New York, N. Y. 10004	2,750
Lazard Frères & Co.	44 Wall Street, New York, N. Y. 10005	12,500
Legg & Co.	22 Light Street, Baltimore, Md. 21202	3,500
Loeb, Rhoades & Co.	42 Wall Street, New York, N. Y. 10005	12,500
Mason-Hagan, Inc.	830 East Main Street, Richmond, Va. 23210	2,750
A. E. Masten & Co.	One Oliver Plaza, Pittsburgh, Pa. 15222	2,750
The Milwaukee Company	207 East Michigan Street, Milwaukee, Wisc. 53202	5,000
Mitchum, Jones & Templeton Incorporated	510 South Spring Street, Los Angeles, Calif. 90013	5,000
Model, Roland & Co., Inc.	120 Broadway, New York, N. Y. 10005	5,000
Moroney, Beissner & Co., Inc.	1300 Bank of the Southwest Bldg., Houston, Texas 77002	3,500
New York Hanseatic Corporation	60 Broad Street, New York, N. Y. 10004	5,000
The Ohio Company	51 North High Street, Columbus, Ohio 43215	5,000
Piper, Jaffray & Hopwood	115 South Seventh Street, Minneapolis, Minn. 55402	5,000
Prescott, Merrill, Turben & Co.	900 National City Bank Bldg., Cleveland, Ohio 44115	5,000
The Robinson-Humphrey Company, Inc.	Two Peachtree Street, N.W., Atlanta, Ga. 30303	5,000
Rotan, Mosle-Dallas Union, Inc.	2300 Bank of the Southwest Bldg., Houston, Texas 77002	3,500
L. F. Rothschild & Co.	99 William Street, New York, N. Y. 10038	7,500
Scherck, Stein & Franc, Inc.	506 Olive Street, St. Louis, Mo. 63101	3,500
Schneider, Bernet & Hickman Securities Corporation	3200 First National Bank Bldg., Dallas, Texas 75202	3,500
Shearson, Hammill & Co. Incorporated	14 Wall Street, New York, N. Y. 10005	7,500
Shields & Company Incorporated	44 Wall Street, New York, N. Y. 10005	7,500
F. S. Smithers & Co.	45 Wall Street, New York, N. Y. 10005	7,500
Stone & Webster Securities Corporation	90 Broad Street, New York, N. Y. 10004	12,500
Watling, Lerchen & Co.	Ford Building, Detroit, Mich. 48226	5,000
Wertheim & Co.	1 Chase Manhattan Plaza, New York, N. Y. 10005	12,500
Woodard-Elwood & Company	1115 First National Bank Bldg., Minneapolis, Minn. 55402	2,750
	Total	409,000

The nature of the obligations of the Underwriters is such that, if any of the shares offered hereby are acquired, all of them must be acquired.

The Company is advised by White, Weld & Co., as Representative of the several Underwriters, that the Underwriters propose to offer the shares subject to prior sale, when, as and if delivered to and accepted by the Underwriters, in part directly to the public at the initial public offering price set forth on the cover page of this Prospectus and in part to certain dealers at such price less a concession of $.65 per share; that the Underwriters may allow and such dealers may reallow on sales to certain other dealers a discount not exceeding $.125 per share; and that, after the initial public offering of the shares offered by this Prospectus, the Representative is authorized to change the public offering price and the concessions and discounts to dealers.

The Underwriting Agreement contains agreements of indemnity among the Company, the Selling Stockholders and the Underwriters as to certain civil liabilities, including liabilities under the Securities Act of 1933, as amended.

The Selling Stockholders have agreed not to sell or otherwise dispose of any shares of Common Stock without the prior consent of the Representative for a period of 90 days after the initial public offering of the shares offered hereby, except for gifts under certain conditions.

The Underwriters have offered to make available at the public offering price not more than 45,240 shares of the Common Stock being offered hereby for sale to certain persons designated by the Company. Such persons will include directors of the Company who previously did not own its stock, employees, relatives of employees and other persons who have evidenced an interest in the Company's affairs.

EXPERTS

The consolidated balance sheet of the Company and its subsidiary company as of April 30, 1968, the related statements of consolidated income, capital in excess of par value, and retained earnings for the seven-month period ended October 31, 1966, the full year ended October 31, 1967, and the six-month period ended April 30, 1968 included in this Prospectus (and related schedules included elsewhere in the Registration Statement) have been examined by Haskins & Sells, independent public accountants, to the extent set forth in their opinion appearing elsewhere herein, and have been so included in reliance upon such opinion given upon the authority of such firm as experts in accounting and auditing.

LEGAL OPINIONS

Legal matters in connection with the offering are being passed upon for the Company and the Selling Stockholders by Hughes, Hubbard, Blair & Reed, One Wall Street, New York, New York 10005 and for the Underwriters by Donovan Leisure Newton & Irvine, Two Wall Street, New York, New York 10005.

OPINION OF INDEPENDENT PUBLIC ACCOUNTANTS

Wells, Rich, Greene, Inc.:

We have examined the consolidated balance sheet of Wells, Rich, Greene, Inc. and subsidiary company as of April 30, 1968 and the related statements of consolidated income, capital in excess of par value, and retained earnings for the seven-month period ended October 31, 1966, the full year ended October 31, 1967, and the six-month period ended April 30, 1968. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the above-mentioned consolidated financial statements present fairly the financial position of the companies at April 30, 1968 and the results of their operations for the stated periods then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

HASKINS & SELLS

New York, New York
August 7, 1968

WELLS, RICH, GREENE, INC. AND SUBSIDIARY COMPANY

CONSOLIDATED BALANCE SHEET

ASSETS

	April 30, 1968	September 30, 1968 (Unaudited)
Current Assets:		
Cash	$ 916,322	$ 624,820
Receivables:		
Clients:		
Billed	4,544,607	3,776,203
Billable production expenditures and accrued commissions thereon	867,263	676,974
Other	385,332	205,769
Stock subscriptions receivable—collected through June 6, 1968—see contra	71,000	—
Total receivables	5,871,202	4,658,946
Prepaid expenses	73,984	21,020
Total current assets	6,861,508	5,304,786
Property, at Cost (Note 2):		
Leasehold improvements	359,373	456,422
Furniture and equipment, etc.	353,904	399,207
Total	713,277	855,629
Less accumulated depreciation and amortization	81,835	114,524
Property and equipment—net	631,442	741,105
Deferred Charges and Other Assets:		
Deferred costs of advertising and product development services (Note 3)	1,050,143	1,212,068
Other assets	43,229	63,182
Total deferred charges and other assets	1,093,372	1,275,250
Total	$8,586,322	$7,321,141

LIABILITIES AND STOCKHOLDERS' EQUITY

Current Liabilities:		
Accounts payable	$5,078,023	$3,783,021
Accrued expenses:		
Taxes	415,115	336,493
Other	191,172	142,457
Total current liabilities	5,685,310	4,261,971
Deferred Items (principally deferred Federal and state income taxes) (Notes 4 and 7)	487,560	553,494
Commitments and Contingent Liabilities (Note 7)		
Stockholders' Equity (Notes 5 and 6):		
Common stock—authorized 5,000,000 shares, $1 par value per share; issued and outstanding—April 30, 1968, 1,401,600 shares; September 30, 1968, 1,450,600 shares	1,401,600	1,450,600
Common stock subscribed by an officer and employees—April 30, 1968, 46,000 shares —see contra	71,000	—
Retained earnings	931,652	1,055,076
Total stockholders' equity	2,113,252	2,505,676
Total	$8,586,322	$7,321,141

See Notes to Consolidated Financial Statements.

WELLS, RICH, GREENE, INC. AND SUBSIDIARY COMPANY

STATEMENTS OF CONSOLIDATED CAPITAL IN EXCESS OF PAR VALUE AND CONSOLIDATED RETAINED EARNINGS

	Seven-month period ended October 31, 1966	Year ended October 31, 1967	Six-month period ended April 30, 1968	Eleven-month period ended September 30, 1968 (Unaudited)
CONSOLIDATED CAPITAL IN EXCESS OF PAR VALUE				
Balance at beginning of period		$ 47,340	$ 48,000	$ 48,000
Excess of subscription price over par value of common stock purchased under stock purchase agreements	$ 47,340	74,100	273,220	342,620
Excess of subscription price over cost of common treasury stock sold to an employee			2,053	2,053
Amount transferred to common stock account to effect ten-for-one stock split and recapitalization (Note 5)		(73,440)	(323,273)	(392,673)
Balance at end of period	$ 47,340	$ 48,000	—	—
CONSOLIDATED RETAINED EARNINGS				
Balance at beginning of period		$ 165,022	$1,383,004	$1,383,004
Net income for period	$165,022	1,217,982	492,515	584,939
Amount transferred to common stock account to effect recapitalization (Note 5)			(940,867)	(912,867)
Balance at end of period	$165,022	$1,383,004	$ 934,652	$1,055,076

See Notes to Consolidated Financial Statements.

WELLS, RICH, GREENE, INC. AND SUBSIDIARY COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Seven-Month Period Ended October 31, 1966, the Year Ended October 31, 1967 and the Six-Month Period Ended April 30, 1968 and (Unaudited) the Eleven-Month Period Ended September 30, 1968

1. Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Company and, from September 20, 1966 (the date of incorporation) its wholly-owned subsidiary organized by the Company to conduct advertising business in South America.

The accounts of the foreign operations of the subsidiary have been translated into United States dollars generally as follows: (1) current assets and current liabilities at exchange rates prevailing at the balance sheet date reduced by a provision against income for the decline in exchange rates subsequent thereto; (2) fixed assets, other assets and noncurrent liabilities at exchange rates prevailing at dates of transactions; and (3) revenues and expenses at average exchange rates during the year except for allowance for depreciation and amortization which was based on dollar equivalents of the related assets.

At April 30, 1968 and September 30, 1968, the Company's investment in its subsidiary carried on its books was more than its equity in the net assets carried on the books of the subsidiary by $77,865 and $85,322, respectively; in consolidation, these amounts, representing losses since date of incorporation, have been deducted from consolidated retained earnings.

2. Depreciation and Amortization

Depreciation is provided on furniture and fixtures and equipment (except paintings and art objects, which are not depreciated) on a straight-line basis over the estimated useful life of the asset. Leasehold improvements are amortized on a straight-line basis over the shorter of the term of the respective lease or the estimated useful life of the improvement.

The cost of furniture and fixtures and equipment and their estimated useful lives are as follows:

	Cost at April 30, 1968	Cost at September 30, 1968	Estimated Useful Life
Furniture and fixtures	$236,275	$265,833	10 to 15 years
Office and projection equipment	89,021	104,722	5 to 9 years
Paintings and art objects	28,608	28,652	Indefinite
Total	$353,904	$399,207	

Expenditures for maintenance and repairs are charged to appropriate expense accounts; renewals and betterments which increase the value or extend the life of the assets are capitalized. When properties are retired or otherwise disposed of in the ordinary course of business, the related accumulated depreciation and amortization is applied thereto and any resulting gain or loss is taken into income.

WELLS, RICH, GREENE, INC. AND SUBSIDIARY COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

3. Deferred Costs of Advertising and Product Development Services

See Note B to Statement of Consolidated Income and "Business—Deferred Costs of Advertising and Product Development Services" elsewhere in the Prospectus.

At April 30, 1968 and September 30, 1968, unamortized balances of such deferred costs were as follows:

	April 30, 1968	September 30, 1968
Initial advertising service costs—new clients (including $46,400 at April 30, 1968 and $20,500 at September 30, 1968 attributed to initial campaigns)	$ 495,745	$ 518,502
Development service costs—new products (including $181,700 at April 30, 1968 and $202,000 at September 30, 1968 relating to products with agreed initial media billing dates)	554,398	693,566
Total	$1,050,143	$1,212,068

4. Income Taxes

For purposes of Federal and state income taxes, allowance for depreciation and amortization of property is deducted on an accelerated basis, and deferred costs of advertising and product development services are deducted during the period incurred. This treatment has resulted in tax deferrals which have been charged against income and credited to deferred income taxes.

5. Common Stock

In July 1967 the stockholders approved a ten-for-one split of the then outstanding shares of the Company's two classes of Capital Stock and the transfer of $73,440 from capital in excess of par value to the capital stock accounts to maintain the respective $1 per share par values thereof. In August 1968 the stockholders approved the recapitalization of each share of the Company's two classes of Capital Stock ($1 par value per share each) into ten shares of Common Stock having a par value of $1 per share. Retroactive effect has been given in the accompanying consolidated financial statements to the aforementioned recapitalization. Transfers were made from capital in excess of par value and retained earnings, respectively, to the common stock account to maintain the $1 per share par value of the Common Stock after this recapitalization.

Certain of the present stockholders who are employees of the Company, holding an aggregate of 484,600 shares of Common Stock, have entered into an agreement with the Company whereby the stockholder has agreed not to sell any of the shares he held at the time of execution of such agreement. Such restrictions shall expire as to 25% of the aforementioned shares at the time of the initial public offering and as to the remainder (363,450 shares) in equal instalments on January 15, 1969, 1970, and 1971.

In June 1968 the Board of Directors authorized the sale of 50,000 authorized but unissued shares of the Company's Common Stock as part of the public offering hereby. See Note 6 for description of stock option and stock purchase plans adopted by the Board of Directors in June 1968 under which 100,000 shares of Common Stock are reserved for purchase by officers and employees.

All of the subsidiary company's authorized, issued and outstanding shares of Capital Stock are owned by the Company.

WELLS, RICH, GREENE, INC. AND SUBSIDIARY COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

6. Subsequent Events

In June and August 1968 the Company adopted four employee incentive plans to offer incentives in addition to current compensation to employees as follows:

(a) *Stock Option Plan*—Under the provisions of this qualified Plan options may be granted to executives and key employees of the Company to purchase up to a total of 50,000 shares of Common Stock. The option price of options granted under the Plan shall in each case be 100% of the fair market value of the Common Stock on the date of grant. No option will be exercisable in less than one year from the date of grant and all options shall expire five years after the date on which such option was granted. Upon exercise of options, the par value of the shares issued will be credited to common stock and the excess of the option price over the par value will be credited to capital in excess of par value. No charges to income will be made with respect to options granted under this Plan.

(b) *Incentive Stock Purchase Plan*—Under the provisions of this Plan options may be granted to key employees of the Company and its subsidiaries to purchase up to a total of 50,000 shares of Common Stock. The purchase price as to shares made available to an employee under the Plan shall be equal to the greater of either (a) 40% of the fair market value of the shares of Common Stock on the business day immediately preceding the date an employee is given the right to purchase such shares or (b) the consolidated book value of a share of Common Stock as of the end of the fiscal year preceding such date. The Committee which will administer the Plan is authorized to impose restrictions as to the disposition of the shares purchased by employees under this Plan, which restrictions will lapse in annual instalments. Under existing tax regulations employees who purchase shares of Common Stock pursuant to this Plan will realize at the time the aforementioned restrictions lapse ordinary income equal to the difference between the purchase price of such shares and fair market value thereof at the date of purchase or at the date on which the restrictions lapse, whichever is lower. Accordingly, the Company will charge operations for constructive compensation equivalent to the ordinary income to the employee during the periods over which the disposal restrictions lapse.

(c) *Profit Sharing Plan*—Effective with the fiscal year beginning November 1, 1968, the Company may at its discretion make contributions to an employee Profit Sharing Trust. The aggregate contribution to the Profit Sharing Trust for each fiscal year is to be determined by the Compensation Committee of the Board of Directors. The contribution may be 5% of income from operations before provision for taxes on income and incentive plan contributions for such year however, in no event may such contribution exceed the limitation stated in the Internal Revenue Code relating to the amount of such contribution which may be a deductible expense for tax purposes for that fiscal year. All current employees of the Company become members of the Plan on its effective date (November 1, 1968). All new employees become members of the Plan on the first day of November immediately following their employment and upon reaching the age of 21. Fifty per cent of the amount of Company contributions credited to a member's account vests after two years of employment, and all of such amounts vest after three years of employment. Payment of the vested amount plus the member's contributions, if any, and earnings thereon, is made to a member after termination of his employment with the Company.

(d) *Executive Incentive Plan*—Effective with the fiscal year commencing November 1, 1968, the Company may make contributions (not to exceed $900,000) of up to 10%, but not less than 2.5% of annual income from operations before provision for taxes on income and incentive plan contributions to an annual fund for the benefit of key employees who have contributed to a substantial degree to the success of the Company. The Plan is to be administered by the Compensation Committee of the Board of Directors which will determine the individuals eligible to receive such incentive awards. The awards granted under the Plan from the aforementioned fund shall not exceed the amount of the designated employee's compensation, excluding bonus and overtime payments for such fiscal year. The Plan provides for the election by the designated employees to receive their incentive awards as deferred compensation payable over a period determined by them. Employees who receive awards under this Plan will not be eligible to participate in the contribution to the Profit Sharing Trust for that fiscal year.

WELLS, RICH, GREENE, INC AND SUBSIDIARY COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

7. Commitments and Contingent Liabilities

The Company and its subsidiary lease their present office facilities under long-term leases, for an aggregate minimum annual rental of $771,690 under agreements expiring at various dates through September 1972.

Under the terms of an employment contract with a key employee, the Company will, among other things, pay him or his designated beneficiaries $100,000 in the event of his death or disability for a period of six consecutive months during the term of the employment contract. The Company carries insurance relating to its contingencies under this contract. In addition, the Company has agreed to pay this executive deferred compensation upon retirement from the Company and such deferred compensation is being provided for over the respective employment period. See "Business—Personnel" for description of terms of employment contract with President and Chief Executive Officer.

8. Supplementary Profit and Loss Information

	Seven-month period ended October 31, 1966	Year ended October 31, 1967	Six-month period ended April 30, 1968	Eleven-month period ended September 30, 1968
Charged to expenses in the accompanying statement of consolidated income before deducting amounts* charged to deferred costs of advertising and product development services:				
Maintenance and repairs	$ 1,212	$ 8,651	$ 6,555	$ 11,119
Depreciation and amortization of property	2,338	44,522	36,026	68,929
Taxes other than income taxes:				
Payroll taxes	13,083	64,224	77,552	112,139
Other	1,223	15,496	9,844	17,398
Rents	39,184	134,303	124,229	238,256
Management and service contract fees—None				

* The amounts of expenses listed herein charged to deferred costs of advertising and product development services during the seven-month period ended October 31, 1966, the year ended October 31, 1967, the six-month period ended April 30, 1968, and the eleven-month period ended September 30, 1968 were $4,061, $53,950, $15,899 and $26,709, respectively.

EXHIBIT 14

Prospectus Dated April 19, 1971

333,739 Shares

Wells, Rich, Greene, Inc.

Common Stock

($1.00 Par Value)

The shares offered hereby are to be sold by certain stockholders identified under "Selling Stockholders." The Company will not receive any of the proceeds from the sale of these shares.

The closing sales price of the Common Stock on the American Stock Exchange on April 19, 1971 was $21.75 per share. See "Price Range of Common Stock."

Upon completion of the sale of the shares offered hereby, and subject to satisfaction of certain requirements of the New York Stock Exchange, the Company intends to apply for the listing of its Common Stock on the New York Stock Exchange.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION NOR HAS THE COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

	Price to Public	Underwriting Discount (1)	Proceeds to Selling Stockholders (2)
Per Share	$21.75	$1.25	$20.50
Total	$7,258,823.25	$417,173.75	$6,841,649.50

(1) See "Underwriting" for indemnification arrangements.

(2) Before deducting expenses estimated at $170,000 payable by the Selling Stockholders.

These shares are offered by the Underwriters named herein subject to prior sale, when, as and if delivered to and accepted by the Underwriters, subject to the approval of certain legal matters and subject to other conditions.

White, Weld & Co.

The date of this Prospectus is April 19, 1971

No dealer, salesman or other person has been authorized to give any information or to make any representations other than those contained in this Prospectus in connection with the offer contained in this Prospectus and any information, data or representations not contained herein must not be relied upon as having been authorized by the Company, by the Selling Stockholders or by any Underwriter. Neither the delivery of this Prospectus nor any sale made hereunder shall under any circumstances create an implication that there has been no change in the affairs of the Company since the date hereof. This Prospectus does not constitute an offer or solicitation with respect to any securities other than the 333,739 shares of Common Stock to which it relates or an offer or solicitation with respect to such stock by anyone in any state in which such offer or solicitation is not authorized, or in which the person making such offer or solicitation is not qualified to do so, or to any person to whom it is unlawful to make such offer or solicitation.

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IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE COMPANY'S COMMON STOCK AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH TRANSACTIONS MAY BE EFFECTED ON THE AMERICAN STOCK EXCHANGE OR OTHERWISE. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE COMPANY

Wells, Rich, Greene, Inc. is an advertising agency which was incorporated under the laws of the State of New York and commenced business in 1966. In the five years since its organization, gross billings of the Company have grown to $91,589,000 in the fiscal year ended October 31, 1970 (see Statement of Consolidated Income and Note A thereto), making the Company the twenty-third largest advertising agency in the United States in 1970 (according to statistics published by *Advertising Age* based upon unaudited figures voluntarily submitted by 615 agencies). There is no assurance that the Company's present rate of growth will be continued or that its present volume of business will be maintained.

The Company's principal executive offices are located at 767 Fifth Avenue, New York, New York 10022 (telephone number (212) 758-4300). The term "Company" as used herein includes Wells, Rich, Greene, Inc. and, unless the context indicates otherwise, its operating subsidiaries, Wells, Rich, Greene International, Ltd. and WRG/Dragoti, Ltd.

CAPITALIZATION

The capitalization of the Company at February 28, 1971 is set forth in the following table:

Title of Class	Outstanding
Common Stock, par value $1.00 per share; authorized 5,000,000 shares	1,575,182 shs.(1)

(1) Not including 7,150 shares held in the treasury, 3,500 shares reserved for issuance upon the exercise of rights which may be granted pursuant to the Incentive Stock Purchase Plan, and 334,768 shares reserved for issuance upon the exercise of stock options granted or which may be granted pursuant to the Stock Option Plan, as amended by stockholders on March 10, 1971. See "Management—Incentive Plans" for further information concerning these Plans.

See "Business—Motion Picture Production", "Properties—Offices" and Notes 6 and 11 to Consolidated Financial Statements for information concerning the extent of obligations under leases on real property and other commitments.

DIVIDENDS

The Company commenced the payment of cash dividends on its Common Stock on February 10, 1971, when a cash dividend of $.15 per share was paid. On March 10, 1971, the Company declared a dividend at the same rate, payable on May 10, 1971 to holders of record on April 23, 1971. Purchasers of the shares offered hereby will not receive this dividend on any shares so purchased. It is the present intention of the Board of Directors to continue dividends on a quarterly basis, but the declaration and rate of future dividends must necessarily depend upon conditions then existing, including the Company's earnings and financial requirements, business conditions and other factors.

STATEMENT OF CONSOLIDATED INCOME

The following statement of consolidated income of Wells, Rich, Greene, Inc. and subsidiary companies has been examined by Haskins & Sells, independent public accountants, as set forth in their opinion appearing elsewhere in this Prospectus. The opinion of Haskins & Sells is qualified as to the outcome of certain matters explained in Note 3 to Consolidated Financial Statements (see also "Properties—Oil and Gas Interests"). This statement should be read in conjunction with its notes and the other consolidated financial statements and the notes thereto appearing elsewhere in this Prospectus.

	Seven-Month Period Ended October 31, 1966	Year ended October 31			
		1967	1968	1969	1970
Gross Billings (Note A)	$5,342,275	$36,507,700	$53,299,000	$77,371,000	$91,589,000
Revenues From Commissions and Service Fees (Note A)	$ 800,941	$ 5,473,418	$ 7,990,858	$11,599,833	$13,731,538
Other Income (Note B)			113,111	151,153	188,914
Total	800,941	5,473,418	8,103,969	11,751,285	13,920,452
Expenses (After deducting amounts charged to deferred costs of advertising and product development services—Note C):					
Salaries, wages and employee benefits (Note D)	283,785	1,609,364	3,844,619	5,601,142	6,284,420
Allowance for depreciation and amortization	2,338	35,763	76,401	101,481	221,560
Other office and general expenses	170,495	1,095,302	1,712,019	2,600,662	2,806,630
Amortization of deferred expenses (Note C)	5,684	86,804	420,022	591,868	461,581
Total	462,302	2,827,233	6,053,061	8,895,153	9,774,191
Income Before Provision for Taxes on Income	338,639	2,646,185	2,050,908	2,856,132	4,146,261
Provision for Taxes on Income (Note E):					
Federal	137,236	1,129,509	938,092	1,015,336	1,717,869
State and other	36,381	298,694	251,799	254,061	449,922
Total	173,617	1,428,203	1,189,891	1,269,397	2,167,791
Net Income	$ 165,022	$ 1,217,982	$ 861,017	$ 1,586,735	$ 1,978,470
Per Common and Common Equivalent Share:					
Net income (Note F)	$.27	$1.21	$.62	$1.02	$1.25
Dividends—None (Note G)					
Average number of shares outstanding during each period adjusted retroactively for the ten-for-one stock split in 1967 and recapitalization in 1968	469,125	652,154	1,416,726	1,555,216	1,578,669

NOTES:

A. "Revenues from Commissions and Service Fees" represent commissions earned from advertising placed with various forms of media, production commissions billed or accrued on expenditures incurred for clients, and fees derived from miscellaneous services. In accordance with prevailing industry practice, "Gross Billings" are included for statistical purposes and are calculated by multiplying "Revenues From Commissions and Service Fees" by 6.67 since these revenues generally amount to 15% of such billings.

B. "Other Income" for the year ended October 31, 1970 includes approximately $109,000 of income from oil and gas production on the Company's properties after deduction of the related amortization of $71,000 of the capitalized investment costs. There was no significant production from such oil and gas properties prior to the 1970 fiscal year. See Note E below.

C. Because the costs which an advertising agency incurs shortly after its appointment by a client and the costs incurred in connection with product development services are usually recoverable only against commissions from subse-

client media billings, the Company defers these costs and amortizes them principally over thirty-six months following the start of media billings. Any unamortized deferred costs attributable to clients or client products for which advertising services are terminated are written off against commissions received during the final months of media billing.

In accordance with the foregoing method, the amounts of cost deferred (exclusive of the provision for taxes relating thereto) during the seven-month period ended October 31, 1966 and the years ended October 31, 1967, 1968, 1969 and 1970 were $100,458, $943,772, $755,078, $415,280, and $506,611, respectively, aggregating $2,721,199, of which $1,155,241 had not been amortized as of October 31, 1970. (See Note E below and Note 4 to Consolidated Financial Statements.)

D. See Notes 9, 10 and 11 to Consolidated Financial Statements for description of salary and employee benefit expenses incurred during the 1969 and 1970 fiscal years under the Company's Executive Incentive Plan, Profit Sharing Plan and employment contracts with six key employees.

E. The provision for taxes on income includes net deferred taxes (arising principally from the deferral of costs of certain advertising and product development services for financial accounting purposes referred to in Note C above and the use of accelerated depreciation for tax purposes) as follows:

	Federal	State and other
Seven-month period ended October 31, 1966	$ 46,479	$10,651
Year ended October 31, 1967	430,475	98,650
Year ended October 31, 1968	339,200	85,200
Year ended October 31, 1969	316,349	46,263
Year ended October 31, 1970	225,160	64,973

Intangible drilling and development costs for both productive and non-productive oil and gas wells, which are capitalized for financial accounting purposes, are deducted for income tax purposes during the year incurred. No deferred taxes have been provided on approximately $750,000 in 1969 and $278,000 in 1970 of such costs since, in the opinion of management, these costs are not in excess of the estimated future tax deductions for depletion relating to the recovery of reserves from the applicable properties. The tax effect of such policy increased consolidated net income for 1969 and 1970 by approximately $400,000 ($.26 a share) and $150,000 ($.10 a share), respectively.

Investment tax credits generated from purchases of property have been applied as reductions of the provision for Federal income taxes; such credits were not material.

F. Net income per share is based on the weighted average number of shares of Common Stock outstanding in each period increased by stock subscriptions in 1966, 1967 and 1968, which were dilutive under a calculation made as though all common stock subscriptions were paid for as of April 5, 1966 or date of subscription agreement, if later. As there was no public market for the Company's stock prior to October 31, 1968, a 6% investment return was assumed on the proceeds (net of applicable taxes). Net income per share for periods prior to 1969 has been restated to conform with Opinion No. 15 of the Accounting Principles Board which was issued in May 1969. Stock options, incentive stock purchase arrangements, and common stock subscriptions were not considered in 1969 and 1970 because they were either not dilutive or their effect insignificant.

G. On January 5, 1971 the Board of Directors declared a quarterly cash dividend of $.15 per share which was paid on February 10, 1971. On March 10, 1971, the Board of Directors declared an additional quarterly cash dividend of $.15 per share payable on May 10, 1971.

As compared with later years, income before taxes in fiscal 1966 and 1967 was high in relation to total revenues. This was due in part to the fact that (a) in these initial years a significant portion of the Company's salaries and related costs were attributable to new clients and products which had not commenced billings and such costs ($95,000 and $857,000, net of amortization) were therefore deferred under the Company's accounting policy (see Note 4 to Consolidated Financial Statements); and (b) beginning in fiscal 1968 there was an increase in salary expense resulting primarily from higher salary rates and also from additional employees who were hired in executive, research, general services and accounting areas. In the second quarter of fiscal 1970, the Company instituted a cost reduction program which contributed to the improved profit margins for such year.

The unaudited results of operations for the three-month periods ended January 31, 1970 and 1971 which, in the opinion of management, include all adjustments (comprising only normal recurring accruals) necessary for the fair presentation of the results for those periods, are summarized as follows:

	Three Months Ended January 31,	
	1970	1971
Gross Billings	$20,065,000	$26,737,000
Total Revenues	$ 3,034,900	$ 3,968,389
Net Income	$ 200,318	$ 631,869
Net Income Per Common and Common Equivalent Share.	$.13	$.40

The results for the first quarter of 1970 were not indicative of operations for the full year because of, among other things, the cost reduction program instituted in the second quarter of that year. The results for the first quarter of 1971 are not necessarily indicative of operations or profit margins for the current fiscal year.

PRICE RANGE OF COMMON STOCK

Prior to October 31, 1968, there was no public market for the Company's Common Stock. The following table gives the high and low bid prices for the Common Stock from November 1, 1968 through May 8, 1970 and the high and low closing prices on the American Stock Exchange since May 11, 1970, as reported by the National Quotation Bureau, Inc. The quotations prior to May 11, 1970 represent prices between dealers and do not include retail mark-up, mark-down or commission.

Period	High	Low
1968:		
October 31 to December 31	24	13
1969:		
First Quarter	18	13½
Second Quarter	18¼	11½
Third Quarter	13	8¾
Fourth Quarter	14	9⅜
1970:		
First Quarter	15	11¾
April 1 to May 8	11¾	7
May 11 to June 30	8¼	5½
Third Quarter	11½	5
Fourth Quarter	17⅜	10⅝
1971:		
First Quarter	25⅞	15¼
April 1 to April 19	23⅞	21

The closing price on a recent date is shown on the cover page of this Prospectus.

BUSINESS

The Company attempts to increase the sales of its client's products or services through the creation and execution of effective advertising. An advertising program is proposed by the Company after a study of the client's products or services, their present and potential markets, the objectives of the client and the available media. Such a proposal includes recommendations as to the advertising message to

be presented, the media plan (e.g., use of television, radio, newspapers, magazines and outdoo advertising) and also recommendations with respect to such other matters as product packaging, sale promotion, fashion and styling. After the client and the Company have agreed on the advertising program, the Company writes and produces commercials for use on television and radio and writes, designs and illustrates advertising for printed media. The Company also contracts for advertising time and space, and arranges for the timely distribution of advertising materials to the media for broadcast or publication. (See Note 4 to Consolidated Financial Statements for a description of the method by which the Company accounts for costs incurred prior to the receipt of commissions or fees.)

Revenue from Commissions and Service Fees

The Company derives its revenue from three principal sources:

Media Commissions—The primary source of the Company's revenue is commissions earned from advertising placed with the various media. After an advertising campaign has been approved by a client, the Company purchases time and space from the appropriate advertising media. Clients pay the Company for these charges and the Company in turn pays the media, less the agency commission (usually 15%). Normally, the Company is primarily liable for payment to media. However, the Company has not suffered any material loss because of its clients' failure to pay for space and time. The billing and paying procedures established by the Company with its clients, whether by written contract or practice, require that payment be received from the client in sufficient time for the Company to make the corresponding payment to media and normally this requirement is met. In this manner, the Company attempts to preserve working capital for use in its general operations. Any discounts earned by the Company for prompt payment are remitted to the client.

Production Commissions and Special Charges—Material, labor and talent for the production of finished commercials and advertisements are usually supplied by independent contractors under the direction and supervision of the Company's creative and production staffs. The Company charges the client a percentage (usually 17.65%) of the contractors' bills. Clients also pay special charges for certain production work done by personnel of the Company.

Fees—In some instances the Company charges a fixed fee for services performed for clients in connection with a particular advertising or product problem. To date these services have been principally for the development of an advertising and marketing program for new products.

The following table sets forth the percentages of revenue derived from each source during the periods indicated:

Category	Seven-month period ended October 31, 1966	Year ended October 31, 1967	Year ended October 31, 1968	Year ended October 31, 1969	Year ended October 31, 1970
Media Commissions:					
Television and Radio	45.4%	63.9%	56.0%	58.9%	54.6%
Newspaper and Magazine	35.0	17.5	25.5	20.6	25.4
Outdoor Advertising	—	1.3	1.0	1.1	1.5
Total	80.4	82.7	82.5	80.6	81.5
Production Commissions and Special Charges:					
Production Commissions	10.1	10.3	12.5	11.7	10.8
Special Charges	2.6	1.0	2.3	3.4	1.3
Total	12.7	11.6	14.8	15.1	12.1
Fees	6.9	5.7	2.7	4.3	6.4
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Clients

Set forth below is a list of the Company's clients and the month during which revenue for each client commenced. In most cases, as is customary in the advertising industry, other products of the Company's clients are represented by other agencies. In such cases, only those products represented by the Company are listed and the month during which revenue commenced for each product is indicated.

Client	Month
American Motors Corporation*	
American Motors Passenger Automobiles	September 1967
All American Dealer Cooperative Program	January 1971
General Mills, Inc.	
Various Snack Products	October 1967
Midas, Inc.	February 1970
Miles Laboratories	
Alka-Seltzer	March 1971
Alka-Seltzer Plus	March 1971
Philip Morris Incorporated*	
Benson & Hedges 100's	July 1966
Benson & Hedges DeLuxe	September 1966
New Leaf	November 1970
The Procter & Gamble Company*	
Gleem	November 1968
Safeguard	December 1970
Ralston-Purina Co.	
Chex Cereals	February 1970
Various Pet Foods	February 1970
Royal Crown Cola Co.*	July 1969
Jos. E. Seagram & Sons, Inc.	
Party Tyme	June 1970
Calvert Distillers Co.	
Passport Scotch	April 1968
Smith Kline & French Laboratories*	
Menley and James Laboratories Division	
Love Cosmetics	May 1967
Trans World Airlines, Inc.*	
Domestic and International Passenger Operations	November 1968
Domestic and International Cargo Operations	February 1971

* Accounted for more than 5% of gross billings during the fiscal year ended October 31, 1970.

In addition to the clients listed above, the Company provides advertising services to The National Kidney Foundation on a non-profit basis.

The Company presently has eleven clients. In fiscal 1969 and 1970, Trans World Airlines, Inc. accounted for approximately 26.8% and 23.5%, respectively, and American Motors Corporation accounted for approximately 19.5% and 18.8%, respectively, of the Company's revenue from commissions and service fees. No other client accounted for 15% or more of such revenue during either period. The Company's three largest clients in the aggregate accounted for 56.9% and 53.8% of such revenue during the same two periods, respectively. As is customary in the advertising industry, relationships between clients and the Company, whether or not evidenced by a contract, are generally terminable by either party on 90 days' notice; clients can and do change agencies on short notice and may reduce advertising budgets at any time. The loss of any client or losses incurred on account of a client's failure to make payments for media could have an adverse effect on the Company's operations.

Competition

The advertising industry is a highly competitive personal service business and success depends to a great extent on the skill and creativity of the Company's staff and its relationships with its clients. The Company must compete for highly qualified personnel and clients against many agencies, including some with greater financial resources and longer operating histories.

While the Company has exhibited to potential clients examples of advertising it has produced, it has not attempted to attract new clients by use of "new client presentations." A "new client presentation" is the creation and presentation of proposed advertising for a prospective client's product. The cost of such new client presentations is absorbed by an agency, even if, as frequently occurs, such agency is not appointed. No assurance can be given that the Company can continue to attract new clients without making such presentations.

Other Factors

Mary Wells Lawrence, Chairman of the Board, Chief Executive Officer and President, has made a significant contribution to the growth of the Company and the loss of her services might have a substantial adverse effect on the Company's business and earnings. The Company has an employment agreement with Mrs. Lawrence which commenced on May 1, 1969, in which she agrees to serve as Chief Executive Officer for ten years and to act as a consultant to the Company for an additional ten years following her period of active employment. For a description of this agreement and a contemplated extension thereof, see "Management—Remuneration".

In recent years, federal, state and local governments and government agencies have adopted legislation and regulations which directly or indirectly affect the advertising activities of agencies and their clients. From time to time, the Federal Trade Commission, after finding advertisements to be false or misleading, has required agencies and their clients to withdraw such advertisements. The "consumerism" movement has resulted in the proposal or enactment of legislation and regulations which regulate more strictly all forms of advertising and, specifically, those dealing with nutritional claims and drug claims. Recently, the advertising of cigarettes on radio and television has been prohibited, but the advertising of this product in all other media has not been affected. Some states presently impose a tax on advertising and New York City has proposed such a tax. The Company does not believe that existing laws and regulations have had a material adverse effect upon its business, but it cannot predict whether any proposed laws and regulations will become effective or whether they may have such an effect.

Employees

As of February 28, 1971 the Company employed 317 persons, all but 35 of whom were employed in its New York offices, in five general areas:

Creative Services—The Company employed 52 persons to conceive and create advertising and to write and illustrate the commercials and advertisements produced by the Company. They also assist in the supervision and direction of the production of these advertisements.

Account Services—The Company employed 67 persons who are responsible for account management. They act as liaison between clients and the Company, coordinate the planning of advertising campaigns and assist in the supervision of advertising budgets and marketing activities of the clients.

Production—The Company employed 54 persons to produce television and radio commercials and print advertisements. They secure, coordinate and direct the services of outside contractors who furnish typography, artwork, photography, film production and other elements required in the preparation of finished advertising.

Media and Research—The Company employed 60 persons who plan and recommend media programs, prepare cost estimates, buy time and space, conduct media, copy and market research projects and analyze and apply the results of such research.

Administration and General Services—The Company's remaining 84 employees were engaged in such functions as administration, finance and accounting, personnel, purchasing, traffic and other general office and management functions.

Motion Picture Production

In 1969, WRG/Dragoti, Ltd., an 80%-owned subsidiary of the Company, was formed to produce motion pictures for television and theatrical distribution. The subsidiary has completed one motion picture script, which has been assigned to a joint venture formed by the subsidiary and Jack L. Warner, founder and former president of Warner Bros., Inc. The joint venture began production of a motion picture based on the script this Spring. The budget for the complete production is to be borne equally by the parties and is presently estimated at less than $1,000,000 and may not exceed $1,320,000 without the consent of both parties. The Company has guaranteed the performance by its subsidiary of all its obligations under the joint venture agreement. In addition, the Company is incurring certain salary and general expenses related to the production which are being deferred and will be amortized against any revenues to be realized from the production (see Note 6 to Consolidated Financial Statements).

PROPERTIES

Offices

The Company's offices are located in leased premises in New York City; Birmingham, Michigan; Los Angeles, California; Hong Kong, British Crown Colony; and London, England.

The principal office of the Company is at 767 Fifth Avenue, New York, New York and is covered by two leases. One lease provides for the rental of approximately 57,829 square feet, comprising the 28th and 29th floors of the building, for a term ending August 31, 1983 at an annual rental of $459,740. The other lease provides for the rental of 8,522 square feet on the 30th floor for a term ending July 31, 1978 at an annual rental of $85,220. The Company has the right to sublease the space covered by both

of these leases, subject to the requirement that the space first be offered back to the lessor at the rental set forth in the lease.

The Company also leases approximately 18,000 square feet of office space at 575 Madison Avenue, New York, New York for which the Company pays an annual rental of $102,170. This lease expires April 29, 1972.

In addition to the New York offices, the Company leases approximately 7,022 square feet for its four other offices. The total annual rental for these offices is approximately $55,500 and the average term remaining under the leases is 17 months.

Oil and Gas Interests

The Company owns undivided interests in eleven oil and gas leases purchased in 1969 through King Resources Company. The Company believes that King Resources may be in default to various creditors and has been advised by counsel that if such defaults, or other circumstances, should result in King Resources' going into bankruptcy, the Company could lose its investment in some or all of these oil and gas leases. If the entire investment were lost, the Company could suffer an extraordinary loss after taxes of approximately $883,000 or $.56 per share (based on the Company's investment at October 31, 1970). Such a loss would have no effect on the Company's advertising business or on earnings for periods prior to the loss. Net income from oil and gas production from these leases in fiscal 1970 amounted to about $95,000. The possibility of such bankruptcy proceedings and the involvement therein of the Company's interests in these oil and gas leases is conjectural. However, based upon facts presently available and subject to the uncertainties of any litigation, Messrs. Cantey, Hanger, Gooch, Cravens & Munn of Fort Worth, Texas, special counsel, have advised the Company that in their opinion the Company would have meritorious defenses to any challenge to the Company's interests in any such bankruptcy proceedings. The Company has also invested $347,000 in a limited partnership in which Reliance Oil Corporation is the general partner. The partnership has undivided interests in twelve oil and gas leases. (See Note B to Consolidated Statement of Income and Note 3 to Consolidated Financial Statements for additional information concerning these investments.)

MANAGEMENT

The directors and executive officers of the Company and their respective positions are shown below:

Name	Position
Mary Wells Lawrence	Chairman of the Board, Chief Executive Officer and President
Stewart Greene	Executive Vice President, Director
Frank G. Colnar	Senior Vice President—Financial Planning, Director
Frederick L. Jacobs	Senior Vice President—Administration, Secretary, Treasurer, Director
Charles Moss	Senior Vice President—Creative Director, Director
Richard T. O'Reilly	Senior Vice President—Account Services, Director
Martin Stern	Senior Vice President—Sales Director
Arnold M. Grant	Director
Troy V. Post	Director
Emilio Pucci	Director

Mary Wells Lawrence joined Jack Tinker and Partners, a division of the Interpublic Group of Companies, Inc., in 1964 and was a senior partner when she left in 1966 to help found the Company.

Stewart Greene in 1966 left his position as a partner of Jack Tinker and Partners to help found the Company. He had been employed there since 1962.

Frank G. Colnar joined the Company in June 1968 after leaving his position as Assistant Vice President, Financial Planning, of Continental Airlines, Inc., where he had been employed for more than twenty years.

Frederick L. Jacobs became an employee of the Company in March 1967. For approximately fourteen years prior to joining the Company, Mr. Jacobs maintained his own practice as an attorney and certified public accountant.

Charles Moss has been employed by the Company since April 1966. Prior thereto, he was a copy supervisor at Jack Tinker and Partners for approximately a year, and a copywriter at Doyle Dane Bernbach Inc. from 1962 to 1965.

Richard T. O'Reilly joined the Company in February 1969 after leaving his position as Executive Vice President at Sullivan, Stauffer, Colwell and Bayles. He had been employed there for almost three years. Prior to that, Mr. O'Reilly was with N. W. Ayer & Son, Inc. as Senior Vice President.

Martin Stern joined the Company in January 1968 after leaving J. Walter Thompson Company, where he was Director—Research Operations.

Remuneration

With respect to persons who were directors or officers of the Company at any time during the fiscal year ended October 31, 1970, the following information is given for such year for (1) each director of the Company whose aggregate direct remuneration paid by the Company and its subsidiaries exceeded $30,000, and each of the three highest paid officers of the Company whose aggregate direct remuneration exceeded that amount, and (2) all directors and officers as a group.

Name of Individual or Identity of Group	Capacity in Which Remuneration Was Received(1)	Salaries	Current Awards under Executive Incentive Plan(2)
Mary Wells Lawrence(3)	President and Chief Executive Officer	$ 225,000(4)	$100,000
Stewart Greene(3)	Executive Vice President	$ 125,000(4)	$ 20,417
Frank G. Colnar	Senior Vice President—Financial Planning	$ 80,000(5)	—
Frederick L. Jacobs	Senior Vice President—Administration, Secretary and Treasurer	$ 70,000	—
Charles Moss(3)	Senior Vice President—Creative Director	$ 100,000	—
Richard T. O'Reilly	Senior Vice President—Account Services	$ 92,499(5)	—
All directors and officers as a group (36 persons including those shown above) (6)		$1,592,960(3)(5)	$120,417

(1) No director received any remuneration for services as a director while also serving as an officer of the Company.

(2) Paid in 1971 with respect to services rendered in the fiscal year ended October 31, 1970. See "Management—Incentive Plans" for a description of this Plan.

(3) See information on employment agreements of Mrs. Lawrence, Messrs. Greene and Moss and another officer set forth below.

(4) Pursuant to the employment agreements referred to above, Mrs. Lawrence and Mr. Greene have also been credited with deferred compensation of $30,000 and $25,000, respectively, with respect to services during the fiscal year ended October 31, 1970.

(5) The amounts shown include a bonus of $10,000 each paid to both Messrs. Colnar and O'Reilly, but do not include $30,000, $43,752 and $87,038 which the Company has deducted for Federal income tax purposes as compensation paid to Messrs. Colnar and O'Reilly and all directors and officers as a group, respectively, during the fiscal year ended October 31, 1970 as a result of the lapse of restrictions on shares of Common Stock purchased under the Company's Incentive Stock Purchase Plan (see "Management—Incentive Plans" for a description of, and information on, grants under the Incentive Stock Purchase Plan).

(6) Includes 23 Vice Presidents who occupied important positions as heads of departments or had important client responsibilities during the last fiscal year but who did not perform the corporate management functions usually associated with such title.

No contributions were made to the Company's Profit Sharing Plan with respect to the fiscal year ended October 31, 1970 and the Plan has been terminated by the Board of Directors. This Plan had allowed for an annual contribution by the Company in an amount not exceeding the lower of 5% of income from operations before taxes or the amount permitted under the Internal Revenue Code as a deductible expense for such fiscal year. The Company has previously made contributions to the Plan for the accounts of the persons and group identified in the foregoing table as follows: Mr. Colnar, $2,712; Mr. Moss, $3,579; Mr. Jacobs, $2,928; and all directors and officers as a group, $16,114. As a result of the termination, the total fund will be distributed to participating employees in accordance with their respective interests.

Mary Wells Lawrence has entered into a ten-year employment agreement with the Company, which commenced on May 1, 1969 at a basic salary of $225,000 per annum, plus deferred compensation at the rate of $30,000 per annum for each year of active employment. Under the agreement, Mrs. Lawrence also agrees to act as a consultant for the Company for a period of an additional ten years following her period of active employment, for which she will receive a consulting fee of $125,000 per annum (or $75,000 per annum if certain conditions are not met). If her services are terminated because she becomes disabled during the term of her employment, she will receive such consulting fee only for the number of years equal to the number of years performed under the agreement. The agreement also provides for the award to Mrs. Lawrence each year during the term of her employment of 25% of the annual fund available for distribution to employees under the Company's Executive Incentive Plan, which percentage shall not result in an award in excess of $100,000 in any one of the first five years. In the event of her death during the term of her employment, the Company will pay her estate the sum of $1,000,000 in twenty equal annual installments. The Company has an insurance policy on Mrs. Lawrence's life in excess of that amount. It is anticipated that Mrs. Lawrence's agreement will be amended to extend the term of the active and consulting periods under the agreement for an additional two years each and to eliminate the $100,000 limitation on the amount of her annual award under the Executive Incentive Plan. (See information under "Management—Incentive Plans" as to an option anticipated to be granted to Mrs. Lawrence as an inducement to her to agree to such amendment.)

Stewart Greene has entered into a five-year employment agreement with the Company, which commenced on May 1, 1969 at a basic salary of $125,000 per annum, plus deferred compensation at the rate of $25,000 per annum for each year of active employment, payable commencing after the termination of his employment. Under the agreement, Mr. Greene also agrees to act as a consultant for the Company

for a period of an additional five years following his period of active employment, for which he sha receive a consulting fee of $75,000 per annum (or $50,000 per annum if certain conditions are not met) If his services are terminated because he becomes disabled during the term of his employment, he wi receive such consulting fee only for the number of years equal to the number of years performe under the agreement. The agreement also provides for the award to Mr. Greene each year during th term of his employment of a minimum of 5% of the annual fund available for distribution to employee under the Company's Executive Incentive Plan. In the event of his death during the term of h employment, the Company will pay his estate the sum of $1,000,000 in twenty equal annual installment The Company has an insurance policy on Mr. Greene's life in that amount.

Under an employment agreement, the Company has agreed to pay Charles Moss annual basic com pensation of $100,000 until April 30, 1974. In the event of Mr. Moss' death during the term of hi employment, the Company will pay his beneficiary or estate his annual compensation for the balanc of the term in equal monthly installments until the end of such term. The Company has an insuranc policy on his life in excess of the amount payable to his beneficiary or estate.

The Company has also entered into an employment agreement expiring on May 24, 1975 with a officer not named in the foregoing table which provides for annual compensation of $65,000.

Incentive Plans

The Company has three employee benefit plans to attract new employees, to offer incentives t key employees and to motivate them to continue their service. These plans are administered by a Com pensation Committee, which is composed of three directors, a majority of whom may not be employee of the Company. The Committee presently consists of Messrs. Grant and Post. A vacancy create by the recent death of Leland Hayward is expected to be filled at the next meeting of the Board o Directors.

Stock Option Plan. Under this Plan, as adopted in August 1968, amended in May 1969 and further amended on March 10, 1971, all outstanding options are intended to be "qualified stock options" within the meaning of Section 422 of the Internal Revenue Code and were granted at an option price of 100% of the fair market value of the Common Stock on the date of grant. All such options expire five years from the date of grant, may not be exercised for a period of one year from such date, and are non-transferable other than by will or the laws of descent and distribution.

On March 10, 1971, the Plan was amended to provide for the granting of qualified options (as described above), non-qualified options or a combination of both, in the discretion of the Compensation Committee. Non-qualified options will be granted at not less than 85% of the fair market value of the Common Stock on the date of grant and must be exercised within ten years from such date. All options granted under the amended Plan may not be exercised for a period of six months from the date of grant. Also, under the amended Plan, payment for shares purchased upon the exercise of options may, in the discretion of the Committee, be made in installments, provided that the full option price must be paid by the end of ten years from the date of exercise.

The amended Plan provides that a total of 335,000 shares of Common Stock (subject to adjustment for stock splits, stock dividends or any similar change affecting the Common Stock) are reserved for issuance pursuant to options. On February 28, 1971, options to purchase 232 shares of Common Stock has been exercised and there were outstanding options to purchase 80,409 shares, at a weighted average option price of $12.76 per share and at option prices ranging from $6.00 to $17.50 per share.

expiring on various dates between October 29, 1973 and September 22, 1975. Outstanding options held by the persons named in the table under "Management—Remuneration" and all present directors and officers as a group on February 28, 1971 were as follows:

Name	Number of Shares	Option Price	Date of Expiration
Charles Moss	10,000(1)	$14.00	6/26/74
Richard T. O'Reilly	10,000(1)	15.00	2/11/74
All present directors and officers as a group (32 persons)	3,800	17.50	10/29/73
	7,975	14.00	6/26/74
	5,500	6.00	6/27/75
	1,000	6.00	8/ 4/75
	10,200	8.375	9/22/75

(1) The shares subject to each of these options constitute 12.44% of the aggregate number of shares subject to options.

is anticipated that management will recommend to the Committee that a non-qualified option under the mended Plan for 150,000 shares of Common Stock be granted to Mrs. Lawrence as an inducement her to extend the terms of the active and consulting periods under her employment agreement (see Management—Remuneration").

Incentive Stock Purchase Plan. Under this Plan, adopted in August 1968 and amended in May 969, rights to purchase Common Stock are granted to key employees at a price equal to the greater 40% of the fair market value on the business day preceding the date of grant, or consolidated book lue at the end of the fiscal year immediately preceding the date of grant. Rights may be exercised r a period of 60 days provided that the grantee is still an employee on the date of exercise. Shares rchased upon the exercise of rights are subject to such terms and conditions as may be determined the Committee, which terms and conditions include restrictions on sale and other disposition of the ares and a requirement that the shares be resold to the Company at their purchase price in the event termination of employment under certain conditions or action considered detrimental to the business the Company. A total of 82,100 shares of Common Stock has been issued pursuant to this Plan d 3,500 shares remain available for the granting of rights in the future. Shares which are resold to Company pursuant to terms and conditions established by the Committee will again become available grant pursuant to the Plan. No rights to purchase shares under the Plan were outstanding on ruary 28, 1971.

Executive Incentive Plan. This Plan, adopted in August 1968 and amended on March 10, 1971, vides for the crediting of 10% of the net earnings from operations of the Company and its solidated subsidiaries before taxes to an annual fund which is available in whole or in part for ards to key employees. The Plan calls for an annual award to the Company's Chief Executive icer equal to 25% of the annual fund and an award to any employee who has an employment agree- nt, approved by the Board of Directors, that provides for such an award. The Committee determines other employees eligible for awards and the amounts of such awards, if any. The award to any ployee in any year may not exceed the amount of his compensation (including deferred compensa- n) for that year. Subject to the discretion of the Committee, an employee may elect to defer receipt of award. See the table under "Management—Remuneration" for awards made with respect to the al year ended October 31, 1970.

Management Transactions

The Company was founded by Mary Wells Lawrence, Richard L. Rich and Stewart Greene in 1966. At the time of the Company's organization, Mrs. Lawrence and Messrs. Rich and Greene made cash contributions to capital of $30,100, $1,000 and $15,000, respectively, receiving in consideration therefor, 301,000, 10,000 and 150,000 shares of Common Stock, respectively. Subsequently, Mr. Rich purchased 290,000 additional shares of Common Stock for an aggregate consideration of $51,500 and Mr. Greene purchased 150,000 shares for an aggregate consideration of $37,500.

Since March 1, 1968, seventeen officers and directors of the Company acquired shares of Common Stock from the Company as follows:

Name	Date of Purchase	Number of Shares	Aggregate Purchase Price
Herb Fisher (1)	3/ 6/68	15,100	$15,100
Frederick L. Jacobs	3/12/68	20,000	5,000
Stewart Greene	4/ 9/68	150,000	37,500
Gerald A. Kessler	4/22/68	500	750
Irving M. Sloan	4/23/68	10,000	13,000
Charles Moss	4/24/68	40,000	52,000
Richard L. Rich (1)	4/26/68	150,000	37,500
Clyde A. Wolfe	4/26/68	2,500	3,250
Philip F. Parker (1)	4/29/68	15,000	19,500
Fred L. Lemont (1)	6/ 6/68	35,000	59,500
Frank G. Colnar	10/30/68	25,000(2)	175,000
Nat Waterston	10/31/68	600(2)	4,200
Clyde A. Wolfe	11/13/68	600(2)	4,200
Murray Hysen	12/ 3/68	5,000(2)	35,000
Richard T. O'Reilly	4/11/69	8,100(2)	48,600
	6/30/69	21,900(2)	122,640
Nat Waterston	6/30/69	1,000(2)	5,600
Victor Lynn	7/ 8/69	1,250(2)	7,000
Harold Singer	7/ 8/69	1,000(2)	5,600
Charles Hamm	7/ 8/69	700(2)	3,920

(1) No longer an officer, director or employee.

(2) These shares were acquired pursuant to the Company's Incentive Stock Purchase Plan.

The numbers, class and prices of shares under this caption have been adjusted for a ten-for-one split of the Company's Class A and Common Stock in June 1967 and for a recapitalization in August 1968.

In December 1967 the Company made a non-interest bearing loan of $35,000 to Richard L. Rich (who was then an officer and director of the Company), which loan was repaid in the same month. Mr. Rich left the employ of the Company in April 1969.

Frederick L. Jacobs rendered accounting services to the Company from its organization until prior to his joining the Company in March 1967 and received $18,500 for such services. Since that time

ntil October 31, 1968, the Company paid the accounting firm in which he was then a partner a etainer of $15,000 per year for internal accounting services rendered by another member of the firm. rom November 1, 1968 to December 31, 1969, the Company paid $22,950 for such services. The firm as dissolved on December 31, 1969.

Arnold M. Grant is providing legal services to the joint venture described under "Business—Motion icture Production". He will be paid for such legal services and will also receive 10% of the profits the joint venture for bringing the parties together and for assisting in the formation of the joint nture. Mr. Grant has received no compensation from the joint venture to the date of this Prospectus.

PRINCIPAL STOCKHOLDERS

As of February 28, 1971, the following persons owned beneficially and of record more than 10% the Common Stock:

Name and Address	Number of Shares of Common Stock Owned	Percent of Outstanding Common Stock
ary Wells Lawrence 4301 Lakeside Drive, Dallas, Texas	210,850	13.39%
ewart Greene 1815 Heritage Way, Manhasset, New York	210,000	13.33%

All directors and officers as a group (32 persons) owned beneficially 646,170 shares of Common ock (40.84%) as of February 28, 1971. After the sale of the shares offered hereby, Mrs. Lawrence d Mr. Greene will each own 6.32%, and all directors and officers as a group 21.15% (334,744 shares).

SELLING STOCKHOLDERS

Set forth below is certain information, as of February 28, 1971, with respect to each stockholder who elling shares hereby. In each instance ownership is both of record and beneficial.

Name	Number of Shares of Common Stock Owned	Number of Shares of Common Stock to be Sold	Number of Shares of Common Stock to be Owned After Sale	Number of Shares Subject to Options
y Wells Lawrence	210,850	110,850	100,000	— (1)
art Greene	210,000	110,000	100,000	—
erick L. Jacobs	37,500	18,750	18,750	—
rles Moss	37,500	18,750	18,750	10,000
ard T. O'Reilly	30,000	15,000	15,000	10,000
k G. Colnar	25,000	12,500	12,500	—
ester Weaver	18,750	6,250	12,500	—
ip F. Parker	17,250	5,750	11,500	—
n Burns	7,500	5,000	2,500	—
G. Dragoti	11,100	5,000	6,100	11,400(2)
in Stern	7,500	3,750	3,750	7,500

Name	Number of Shares of Common Stock Owned	Number of Shares of Common Stock to be Sold	Number of Shares of Common Stock to be Owned After Sale	Number of Shares Subject to Options
Murray Hysen	4,100	3,000	1,100	—
William McGivney	7,500	2,500	5,000	—
Irving Sloan	7,100	2,366	4,734	—
Robert Schulman	7,500	1,500	6,000	—
Catharine Gibson	3,750	1,250	2,500	—
Murray Jacobs	3,750	1,250	2,500	—
Paul Margulies	3,750	1,250	2,500	500
Lewis Wechsler	3,750	1,250	2,500	1,500
Clyde A. Wolfe	1,475	1,235	240	1,900
Nat Waterston	3,475	1,075	2,400	1,900
Harold Singer	3,000	1,000	2,000	1,000
Selling Stockholders selling fewer than 1,000 shares each (12 persons)	12,400	4,463	7,937	11,000
	674,500	333,739	340,761	56,700

(1) See "Management—Incentive Plans" for information regarding the anticipated grant of an option for 150,000 shares of Common Stock to Mrs. Lawrence.

(2) The shares subject to this option constitute 14.18% of the aggregate number of shares subject to options.

DESCRIPTION OF COMMON STOCK

The Common Stock of the Company is the only class of capital stock authorized by the Company's Certificate of Incorporation.

Dividend and Liquidation Rights. All shares of Common Stock are entitled to share equally in such dividends as may be declared by the Board of Directors from funds legally available therefor, and, upon liquidation, all shares are entitled to share equally in the assets of the Company available for distribution to stockholders.

Voting Rights. The holders of shares of Common Stock are entitled to one vote per share.

Non-Cumulative Voting. The Common Stock has non-cumulative voting rights, which means that the holders of more than 50% of the shares voting for the election of directors can elect all of the directors if they choose to do so and, in such event, the holders of the remaining shares will not be able to elect any directors.

Pre-emptive and Other Rights. There are no pre-emptive rights, conversion rights, redemption provisions or sinking fund provisions applicable to the Common Stock and issued shares are not liable to further calls or assessment by the Company (except as may be provided under certain circumstances in Section 630 of the Business Corporation Law of the State of New York relating to debts due and owing to a corporation's laborers, servants or employees). There are also no restrictions on the repurchase or redemption of shares while there is any arrearage in the payment of dividends.

Transfer Agent and Registrar. The Transfer Agent for the Common Stock is Chemical Bank, 20 Pine Street, New York, New York 10015 and the Registrar is United States Trust Company of New York, 45 Wall Street, New York, New York 10015.

LITIGATION

The Company and American Motors, Inc. are defendants in litigation instituted on January 19, 1970 in the Federal District Court for the Southern District of Michigan. In this suit, the plaintiff, Mac O'Rear, asserts an unliquidated claim for damages based on a cause of action which alleges copyright infringement and unfair competition. In the opinion of special counsel, Davis, Gilbert, Levine & Schwartz, the claim is without merit. In any event, the Company will not incur any loss for the claim alleged in such suit since the Company's insurance carrier has advised the Company that its liability policy covers this type of claim.

UNDERWRITING

The Underwriters named below, acting through their Representative, White, Weld & Co., have severally agreed, subject to the terms and conditions contained in the Underwriting Agreement, to purchase from the Selling Stockholders the following respective numbers of shares of Common Stock:

Name	Number of Shares to Be Purchased
White, Weld & Co.	59,439
Abraham & Co.	2,500
Arnhold and S. Bleichroeder, Inc.	3,700
Bache & Co. Incorporated	9,000
Bacon, Whipple & Co.	3,700
Robert W. Baird & Co., Incorporated	3,700
Ball, Burge & Kraus	3,700
Bateman Eichler, Hill Richards, Incorporated	3,700
Bear, Stearns & Co.	6,000
A. G. Becker & Co. Incorporated	6,000
Blunt Ellis & Simmons	3,700
Boenning & Scattergood, Inc.	2,500
Bosworth, Sullivan & Company, Inc.	2,500
Butcher & Sherrerd	3,700
CBWL-Hayden, Stone Inc.	6,000
Dain, Kalman & Quail, Incorporated	3,700
Davis, Skaggs & Co., Inc.	2,500
R. S. Dickson, Powell, Kistler & Crawford	3,700
Dominick & Dominick, Incorporated	6,000
Drexel Firestone, Incorporated	9,000
duPont Glore Forgan Staats Incorporated	9,000
Eastman Dillon, Union Securities & Co. Incorporated	9,000
Equitable Securities, Morton & Co. Incorporated	6,000
Faulkner, Dawkins & Sullivan Securities Inc.	3,700
Ferris & Company, Incorporated	2,500
First Mid America Corporation	3,700
Robert Garrett & Sons, Inc.	2,500
Halle & Stieglitz, Inc.	3,700
E. F. Hutton & Company Inc.	6,000
W. E. Hutton & Co.	6,000
Interstate Securities Corporation	2,500
Legg, Mason & Co., Inc.	3,700
Loeb, Rhoades & Co.	9,000
Mason-Hagan, Inc.	2,500
A. E. Masten & Co.	2,500

Name	Number of Shares to be Purchased
Merrill Lynch, Pierce, Fenner & Smith Incorporated	11,000
The Milwaukee Company	3,700
Mitchum, Jones & Templeton Incorporated	3,700
Model, Roland & Co., Inc.	3,700
New York Hanseatic Corporation	3,700
The Ohio Company	3,700
Oppenheimer & Co.	6,000
Piper, Jaffray & Hopwood Incorporated	3,700
Prescott, Merrill, Turben & Co.	3,700
The Robinson-Humphrey Company, Inc.	3,700
Rotan, Mosle-Dallas Union, Inc.	3,700
L. F. Rothschild & Co.	6,000
Scherck, Stein & Franc, Inc.	2,500
Schneider, Bernet & Hickman Securities Corporation	3,700
Shearson, Hammill & Co. Incorporated	6,000
Shields & Company Incorporated	6,000
F. S. Smithers & Co., Inc.	6,000
Stone & Webster Securities Corporation	9,000
Spencer Trask & Co. Incorporated	6,000
Walston & Co., Inc.	6,000
Watling, Lerchen & Co.	3,700
Wertheim & Co.	9,000
Woodard-Elwood & Company	2,500
Total	333,739

The nature of the obligations of the Underwriters is such that, if any of the shares offered hereby are acquired, all of them must be acquired.

The Company is advised by White, Weld & Co., as Representative of the several Underwriters, that the Underwriters propose to offer the shares subject to prior sale, when, as and if delivered to and accepted by the Underwriters, in part directly to the public at the initial public offering price set forth on the cover page of this Prospectus and in part to certain dealers at such price less a concession not exceeding $0.80 per share; that the Underwriters may allow and such dealers may reallow on sales to certain other dealers a discount not exceeding $0.375 per share; and that, after the initial public offering of the shares offered by this Prospectus, the Representative is authorized to change the public offering price and the concessions and discounts to dealers.

The Underwriting Agreement contains agreements of indemnity among the Company, the Selling Stockholders and the Underwriters as to certain civil liabilities, including liabilities under the Securities Act of 1933, as amended. The Selling Stockholders have also obtained at their expense insurance indemnifying the Underwriters, the Selling Stockholders and the Company and its directors and officers against such liabilities.

The Selling Stockholders have agreed not to sell or otherwise dispose of any shares of Common Stock without the prior consent of White, Weld & Co. for a period of 90 days after the initial public offering of the shares offered hereby, except for gifts under certain conditions.

EXPERTS

The consolidated balance sheet of the Company and its subsidiary companies as of October 31, 1970, the related statement of consolidated income for the [illegible] period ended October 31, 1966 and the four years ended October 31, 1970, and the related [illegible] statements of changes in stockholders' equity and source and application of funds for the th[illegible]ded October 31, 1970 included in this Prospectus (and related schedules incorporated by referen[illegible]sewhere in the Registration Statement) have been examined by Haskins & Sells, independent public accountants, as stated in their opinion (which is qualified as to the outcome of certain matters explained in Note 3 to Consolidated Financial Statements) appearing elsewhere herein and in the Registration Statement, and have been so included in reliance upon such opinion, as qualified, given upon the authority of such firm as experts in accounting and auditing.

LEGAL OPINIONS

Legal matters in connection with the offering are being passed upon for the Company and the Selling Stockholders by Hughes Hubbard & Reed, One Wall Street, New York, New York 10005 and for the Underwriters by Donovan Leisure Newton & Irvine, Two Wall Street, New York, New York 10005. Orville H. Schell, Jr., a partner in the firm of Hughes Hubbard & Reed, owns of record and beneficially 450 shares of the Company's Common Stock.

ADDITIONAL INFORMATION

This Prospectus omits certain information contained in the Registration Statement on file with the Securities and Exchange Commission pursuant to rules and regulations of the Commission. The information so omitted may be obtained from the principal office of the Commission in Washington, D. C. upon payment of the fee prescribed by the Commission, or examined there without charge.

OPINION OF INDEPENDENT PUBLIC ACCOUNTANTS

Wells, Rich, Greene, Inc.:

We have examined the consolidated balance sheet of Wells, Rich, Greene, Inc. and subsidiary companies as of October 31, 1970, the related statement of consolidated income for the seven-month period ended October 31, 1966 and the four years ended October 31, 1970 and the related consolidated statements of changes in stockholders' equity and source and application of funds for the three years ended October 31, 1970. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, subject to the outcome of the matters explained in Note 3, the above-mentioned consolidated financial statements present fairly the financial position of the companies at October 31, 1970 and the results of their operations and source and application of their funds for the stated periods then ended in conformity with generally accepted accounting principles applied on a consistent basis after restatement of per share amounts as explained in Note F to Statement of Consolidated Income.

HASKINS & SELLS

New York, New York
January 5, 1971 (March 11, 1971 as to Notes 3, 8, 9 and 11, Note G to Statement of Consolidated Income and the qualification stated above)

WELLS, RICH, GREENE, INC. AND SUBSIDIARY COMPANIES

CONSOLIDATED BALANCE SHEET

October 31, 1970

ASSETS

Current Assets:	
Cash	$ 1,385,809
Marketable securities, at cost (quoted market value, $700,000)	770,104
Accounts receivable	13,012,429
Billable production expenditures (with commissions accrued)	1,282,720
Prepaid expenses	43,663
Total current assets	16,494,725
Property—at cost (Note 2):	
Leasehold costs	2,676,499
Furniture and equipment, etc.	1,112,117
Total	3,788,616
Less accumulated depreciation and amortization	367,094
Property—net	3,421,522
Investment in Oil and Gas Properties, etc. (Notes 3 and 5)	1,489,092
Deferred Charges and Other Assets:	
Deferred costs of advertising and product development services (Note 4)	1,155,241
Deferred compensation expense (Note 8)	501,225
Investment in motion picture joint venture, scripts, etc. (Note 6)	368,653
Other assets	314,480
Total deferred charges and other assets	2,339,599
Total	$23,744,938

LIABILITIES AND STOCKHOLDERS' EQUITY

Current Liabilities:	
Accounts payable	$12,780,010
Accrued taxes	1,526,170
Other accrued expenses	122,961
Total current liabilities	14,429,141
Deferred Income Taxes (Note 5)	843,821
Deferred Compensation (Note 11)	164,326
Commitments and Contingent Liabilities (Notes 6 and 11)	
Stockholders' Equity (Notes 7 and 8):	
Common stock, $1 par value—authorized, 5,000,000 shares; issued 1,582,100 shares	1,582,100
Capital in excess of par value	1,909,445
Retained earnings (Note G to Statement of Consolidated Income)	4,896,359
Total	8,387,904
Less cost of shares of common stock in treasury—7,150 shares	80,254
Total stockholders' equity	8,307,650
Total	$23,744,938

See Notes to Consolidated Financial Statements

WELLS, RICH, GREENE, INC. AND SUBSIDIARY COMPANIES

STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

For the Three Years Ended October 31, 1970

	Common Stock	Common Stock Subscribed	Common Stock in Treasury	Capital in Excess of Par Value	Retained Earnings
Balance, November 1, 1967 (Common stock subscribed—35,500 shares; common stock held in treasury—1,000 shares)	$ 86,600	$ 96,450	$ (10,947)	$ 48,000	$1,383,004
Net Income for Year					861,017
Common Stock Subscriptions by Officers and Employees—64,860 shares		1,036,880			
Common Stock Sold Under Stock Purchase Agreements	90,560	(1,064,730)	10,947	977,223	
Amount Transferred to Common Stock Account to Effect Split and Recapitalization (Note 7)	1,305,540			(392,673)	(912,867)
Common Stock Sold in Initial Public Offering (less expenses of $68,920)	50,000			696,080	
Balance, October 31, 1968	$1,532,700	$ 68,600	—	$1,328,630	$1,331,154
Balance, November 1, 1968 (Common stock subscribed—9,800 shares)	$1,532,700	$ 68,600		$1,328,630	$1,331,154
Net Income for Year					1,586,735
Common Stock Sold Under Incentive Stock Purchase Plan (Note 8)	49,500	(68,600)		583,000	
Common Stock Purchased for Treasury—1,000 shares			$ (11,925)		
Balance, October 31, 1969	$1,582,200	—	$ (11,925)	$1,911,630	$2,917,889
Balance, November 1, 1969	$1,582,200		$ (11,925)	$1,911,630	$2,917,889
Net Income for Year					1,978,470
Common Stock Sold Under Incentive Stock Purchase Plan (Note 8)	500			5,625	
Common Stock Purchased for Retirement (Note 8)	(600)			(7,810)	
Common Stock Purchased for Treasury—6,150 shares			(68,329)		
Balance, October 31, 1970	$1,582,100	—	$ (80,254)	$1,909,445	$4,896,359

See Notes to Consolidated Financial Statements.

WELLS, RICH, GREENE, INC. AND SUBSIDIARY COMPANIES

STATEMENT OF SOURCE AND APPLICATION OF CONSOLIDATED FUNDS

For the Three Years Ended October 31, 1970

SOURCE OF FUNDS

	1968	1969	1970
From Operations:			
Net income	$ 861,017	$1,586,735	$1,978,470
Depreciation and amortization of property	76,401	101,481	221,560
Amortization of deferred compensation expense		73,325	202,375
Amortization of deferred costs of advertising and product development services	420,022	591,868	461,581
Amortization of investments in oil and gas properties			71,494
Increase in deferred income taxes and deferred compensation	215,450	64,461	112,991
Total source from operations	1,572,890	2,417,870	3,048,471
Sale of Common Stock	1,357,010	225,560	2,450
Other	203,935		
Decrease in Working Capital		269,371	
Total	$3,133,835	$2,912,801	$3,050,921

APPLICATION OF FUNDS

Expenditures for Property	$ 747,378	$1,437,352	$1,349,371
Investments in Oil and Gas Properties, etc.		943,946	616,640
Deferred Costs of Advertising and Product Development Services	755,078	415,280	506,611
Investment in Motion Picture Joint Venture, Scripts, etc.		35,257	333,396
Common Stock Purchased		11,925	76,739
Other		69,041	83,261
Increase in Working Capital	1,631,379		84,903
Total	$3,133,835	$2,912,801	$3,050,921

ANALYSIS OF INCREASE (DECREASE) IN WORKING CAPITAL

Current Assets:			
Cash	$ 954,097	$ (660,317)	$ 874,495
Marketable securities		345,871	424,233
Accounts receivable	955,793	1,379,837	4,412,952
Billable production expenditures	29,580	392,484	123,187
Stock subscriptions receivable	(27,850)	(68,600)	
Prepaid expenses	5,130	41,625	(22,607)
	1,916,750	1,430,900	5,812,260
Current Liabilities:			
Accrued taxes	(647,421)	71,538	1,280,122
Accounts payable	929,201	1,537,382	4,582,747
Other accrued expenses	3,591	91,351	(135,512)
	285,371	1,700,271	5,727,357
Increase (decrease) in working capital	$1,631,379	$ (269,371)	$ 84,903

See Notes to Consolidated Financial Statements.

WELLS, RICH, GREENE, INC. AND SUBSIDIARY COMPANIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For The Three Years Ended October 31, 1970

1. Principles Of Consolidation.

The accompanying consolidated financial statements include the accounts of the Company and its subsidiaries. The accounts of the foreign subsidiary and the foreign operations of the domestic subsidiaries have been translated into United States dollars at appropriate exchange rates. Amounts attributable to foreign operations are not material.

The Company's equity in the net assets of its consolidated subsidiaries exceeded its aggregate investment in these subsidiaries by $31,141 at October 31, 1970. In consolidation, this amount, representing net income since dates of incorporation, has been included in retained earnings in the consolidated balance sheet.

2. Property.

Depreciation is provided on furniture and equipment (except paintings and art objects, which are not depreciated) on a straight-line basis over the estimated useful life of the asset. Leasehold costs are amortized on a straight-line basis over the shorter of the term of the respective lease or their estimated useful life.

The cost of furniture and equipment, etc. and their estimated useful lives at October 31, 1970 are as follows:

	Cost	Estimated Useful Life
Furniture and fixtures	$ 724,486	10 to 15 years
Office and projection equipment	193,742	5 to 9 years
Automobiles	14,746	3 years
Paintings and art objects	179,143	Indefinite
	$1,112,117	

Expenditures for maintenance and repairs are charged to appropriate expense accounts; renewals and betterments which increase the value or extend the life of the asset are capitalized. When properties are retired or otherwise disposed of in the ordinary course of business, the related accumulated depreciation and amortization is applied thereto and any resulting gain or loss is taken into income.

3. Investment In Oil And Gas Properties.

The Company has entered into two agreements whereby it invested funds in various oil and gas properties. The Company has adopted the policy of capitalizing all expenditures (intangible drilling and development costs, lease costs and lease and well equipment) relating to the purchase of such undivided interests, and will charge them to operations by provisions for amortization on an over-all unit-of-production basis. See Notes B and E to Statement of Consolidated Income.

The Company believes that King Resources Company, through whom it has purchased undivided interests in eleven oil and gas leases, may be in default to various creditors. The Company has also been advised by counsel that if such defaults, or other circumstances, result in King Resources Company's going into bankruptcy, the Company could lose its investment in some or all of these oil and gas leases. Based on the carrying value at October 31, 1970 of the Company's investment in such oil and gas properties, the Company could incur an extraordinary loss of approximately $883,000 or $.56 per share after tax benefit of $213,000. The possibility of such bankruptcy proceedings and the involvement therein of the Company's interests in these oil and gas leases is conjectural. However, based upon facts presently available and subject to the uncertainties of any litigation, special counsel has advised the Company that in their opinion the Company would have meritorious defenses to any challenge to the Company's interests in any such bankruptcy proceedings.

4. Deferred Costs Of Advertising And Product Development Services.

During the period immediately following the Company's appointment as advertising agency by a new client and before media billing commences (generally three months), the Company devotes substantial time and expense to a study of the client's products, markets, objectives and media plans and to the creation of an advertising strategy, including an initial campaign. Apart from fees received to reimburse the Company for a portion of these expenses, no revenue is expected to be obtained until the start of media billing.

WELLS, RICH, GREENE, INC. AND SUBSIDIARY COMPANIES

Notes To Consolidated Financial Statements—(Continued)

The Company, therefore, has adopted the policy of deferring these initial period costs plus related overheads, less fees, if any, applicable thereto, and amortizing them on a straight-line basis over a thirty-six month period beginning with the month of initial media billing, with a small portion of such net costs, estimated as attributable to the initial campaign, being amortized in a like manner over an eighteen-month period.

Similarly, when a client requests services to develop marketing and other promotion ideas for new products, the costs of which are recoverable only against media billing as such products are advertised, the Company defers the net costs and overheads relating to these development services and amortizes them on a straight-line basis over a thirty-six month period beginning with media billing.

Any unamortized deferred costs attributable to clients or clients' products for which the Company's advertising services are terminated are written off against commissions received during the final months of media billing (generally three months). Furthermore, if the level of media billings for a client or product subsequently declines to such an extent that all or a portion of the unamortized deferred costs applicable thereto cannot reasonably be expected to be recovered from related revenue from commissions and service fees, such portion of the unamortized deferred costs is charged to operations during the fiscal year during which such decline in media billings occurs.

See Note C to Statement of Consolidated Income.

At October 31, 1970 unamortized balances of such deferred costs were as follows:

Advertising service costs—new clients (including $8,911 attributed to initial campaigns)	$ 382,844
Development service costs—new products (all of which relates to products being advertised or with agreed initial media billing dates)	772,397
Total	$1,155,241

5. Income Taxes.

For purposes of Federal, state and local income taxes, allowance for depreciation and amortization of property is deducted on an accelerated basis, and deferred costs of advertising and product development services are deducted during the year incurred. Tax deferrals resulting principally from such timing differences have been charged against income and credited to deferred income taxes. See Note E to Statement of Consolidated Income as to the provisions for deferred income taxes and a description of the Company's tax accounting for its investment in oil and gas properties.

6. Investment In Motion Picture Joint Venture, Scripts, Etc.

In 1969, an 80%-owned subsidiary was formed for producing films for television and the theatre. During 1970, the subsidiary completed one motion picture script at an aggregate cost of approximately $232,000, principally salaries and general expenses. Such script was assigned to a joint venture organized with Jack L. Warner to produce and exploit a motion picture based thereon. Production of the motion picture, which is budgeted at less than one million dollars, is expected to begin in the spring of 1971 and financing is to be borne equally by both parties to the venture. The Company has guaranteed the performance by the subsidiary of all obligations under the joint venture agreement.

The cost of the Company's investment in the joint venture and other scripts will be amortized against the revenues to be realized from the distribution and exhibition of the related production.

7. Common Stock.

In August 1968 the stockholders approved the recapitalization of each share of the Company's then two classes of Capital Stock ($1 par value per share each) into ten shares of Common Stock having a par value of $1 per share. Transfers were made from capital in excess of par value and retained earnings, respectively, to the common stock account to maintain the $1 per share par value of the Common Stock after this recapitalization.

WELLS, RICH, GREENE, INC. AND SUBSIDIARY COMPANIES

Notes To Consolidated Financial Statements—(Continued)

8. Stock Purchase Plans.

(a) Stock Option Plan—During the three years ended October 31, 1970 the Company had a Stock Option Plan under which qualified options could be granted to key employees of the Company to purchase up to a total of 85,000 shares of Common Stock. The option price of options granted under such Plan was in each case 100% of the fair market value of the Common Stock on the date of grant. No option was exercisable in less than one year from the date of grant, and all options expire five years after the date on which such option was granted. Upon exercise of options, the par value of the shares issued is credited to the common stock account and the excess of the option price over the par value is credited to capital in excess of par value. No charges to income were made with respect to options granted under this Plan.

On March 10, 1971, the Stock Option Plan was amended by increasing the aggregate number of shares which may be issued pursuant to options granted under the Plan from 85,000 shares to 335,000 shares of the Company's Common Stock. Under the amended plan, non-qualified options may now be granted. The option price of such non-qualified options shall in each case be at least 85% of the fair market value of the Common Stock on the date of grant and such options shall not expire later than ten years after the date on which they are granted. All options granted under the amended plan shall not be exercisable in less than six months from the date of grant.

Options to purchase 32,100 shares at $17.50 per share were granted under the Plan to ten employees on October 30, 1968. During the year ended October 31, 1969 options to purchase an additional 46,825 shares were granted to 37 employees at prices of $9.87 to $15.00 per share and options as to 6,900 shares lapsed. During the year ended October 31, 1970 options to purchase an additional 31,150 shares were granted to 29 employees at prices of $6.00 to $13.00 per share and options as to 20,700 shares lapsed. As of October 31, 1970, none of the options granted under the Plan had been exercised, and options as to 2,525 shares were available for grant under the Plan.

Shares under option at October 31, 1970 and the options exercisable during the three years then ended were as follows:

	Number of Shares	Option Price		Fair Market Value	
		Per Share	Total	Per Share	Total
Shares Under Option:					
Granted in year ended October 31, 1968	19,000	$17.50	$ 332,500	$17.50	$ 332,500 (i)
Granted in year ended October 31, 1969	33,325	14.00 to 15.00	476,550	14.00 to 15.00	476,550 (ii)
Granted in year ended October 31, 1970	30,150	6.00 to 13.00	236,881	6.00 to 13.00	236,881 (ii)
Total	82,475		$1,045,931		$1,045,931
Options Which Became Exercisable:					
Year ended October 31, 1968	None				
Year ended October 31, 1969	7,831	$17.50	$ 137,043	$10.63	$ 83,244 (iii)
Year ended October 31, 1970	17,433	14.00 to 17.50	269,557	6.00 to 12.75	167,754 (iii)

(i) There was no public market for the Company's common stock prior to October 31, 1968. The price equals the fair value at date of grant.

(ii) At date options were granted.

(iii) At date options became exercisable.

WELLS, RICH, GREENE, INC. AND SUBSIDIARY COMPANIES

Notes To Consolidated Financial Statements—(Continued)

(b) Incentive Stock Purchase Plan—Under the Company's Incentive Stock Purchase Plan key employees of the Company and its subsidiaries may subscribe to a total of 85,000 shares of Common Stock. The purchase price as to shares made available to an employee under the Plan shall be equal to the greater of either (i) 40% of the fair market value of the shares of Common Stock on the business day immediately preceding the date an employee is given the right to purchase such shares or (ii) the consolidated book value of a share of Common Stock as of the end of the fiscal year preceding such date. The Committee which administers the Plan is authorized to impose restrictions as to the disposition of the shares purchased by employees under this Plan which restrictions lapse in annual instalments.

On October 30, 1968, the Company granted 12 employees rights to purchase 41,900 shares under this Plan at a subscription price of $7.00 per share. During the year ended October 31, 1969, the Company granted 17 employees rights to purchase 39,700 shares under this Plan at subscription prices per share of $5.60 to $6.00, and during the year ended October 31, 1970 the Company granted an employee rights to purchase 500 shares at a subscription price per share of $4.90. The difference between the aggregate subscription price and the fair value on the date of grant of the aforementioned shares was charged to deferred compensation expense and is being written off to operations over a five-year period commencing the January 15th subsequent to date of grant as restrictions expire on the applicable stock.

During the year ended October 31, 1970, the Company repurchased 600 shares previously issued under this Plan. As of October 31, 1970 all subscription rights granted under this Plan had been exercised and 3,500 shares of Common Stock were reserved for additional grants.

The subscription rights exercisable and exercised during the three years ended October 31, 1970 were as follows:

	Number of Shares Under Subscription	Subscription Price		Fair Market Value	
		Per Share	Total	Per Share	Total
Year Ended October 31,					
1968	41,900	$7.00	$293,300	$17.50	$733,250 (i)
1969	39,700	$5.60 to 6.00	225,560	$14.00 to 15.00	563,900 (i)
1970	500	4.90	2,450	12.25	6,125 (i)

(i) At dates subscription rights became exercisable (date of grant) and were exercised.

Executive Incentive Plan.

See "Management—Incentive Plans" elsewhere in this Prospectus for description of provisions of the Company's Executive Incentive Plan. Contributions to the Plan for such executive incentive compensation amounted to $92,500 in 1969 and $122,500 in 1970.

Profit Sharing.

In August 1968 the Company adopted a Profit Sharing Plan whereby, effective with the fiscal year beginning November 1, 1968, the Company could at its discretion make contributions to an employee Profit Sharing Trust. The Plan was terminated by the Board of Directors on January 5, 1971. The profit sharing contribution amounted to $155,000 in 1969; no contribution was made to the Trust in 1970.

Commitments and Contingent Liabilities.

The Company has entered into employment agreements with six of its key employees (including Mary Wells Lawrence, its Chief Executive Officer and President) providing for basic aggregate salaries of $655,000 per annum. Under these contracts, two officers agree to act as consultants to the Company for specified periods following their

WELLS, RICH, GREENE, INC. AND SUBSIDIARY COMPANIES

Notes To Consolidated Financial Statements—(Continued)

active employment for which services they will receive aggregate consulting fees of $200,000 per annum. The agreement with Mrs. Lawrence is for ten years commencing May 1, 1969 and the specified consulting term of her employment contract is an additional ten-year period following her active employment. Mrs. Lawrence shall also receive 25% of the funds made available annually for distribution to employees under the Company's Executive Incentive Plan, which percentage shall not result in an award in excess of $100,000 in any one of the first five years. Under the aforementioned employment contracts the Company will also pay the officers' designated beneficiaries an aggregate of $2,600,000 in the event of their deaths. The Company is insured for its liabilities under these contracts. The Company also has agreed to pay three of the executives deferred compensation aggregating $575,000 upon retirement from the Company and such deferred compensation is being provided for over the respective periods of active employment. Such deferred compensation liability amounted to approximately $164,000 at October 31, 1970.

See Note 6 and "Properties—Offices" elsewhere in this Prospectus for information as to other commitments.

See "Litigation" elsewhere in this Prospectus for information as to pending litigation.

12. Supplementary Profit and Loss Information.

	Year Ended October 31		
	1968	1969	1970
Maintenance and repairs	$ 11,990	$ 47,777	$ 67,054
Depreciation and amortization of property	76,401	101,481	221,560
Taxes other than income taxes:			
Payroll	114,312	179,694	165,065
Other	20,520	52,686	34,811
Rents	264,577	399,555	761,421
Management and service contract fees	None	None	None

WELLS, RICH, GREENE, INC.

Supplement Dated April 20, 1971 to Prospectus Dated April 19, 1971

An article appearing in The Wall Street Journal on April 20, 1971 may have created a misleading impression concerning the risk of the Company's losing its investment in certain oil and gas leases purchased from King Resources Company. The Company's position is accurately set forth on page 11 of the attached Prospectus.

EXHIBIT 15

Listing Application Dated July 15, 1971

LISTING APPLICATION TO
NEW YORK STOCK EXCHANGE, INC.

B-415
July 15, 1971

WELLS, RICH, GREENE, INC.

1,920,600 Shares of Common Stock, $1.00 Par Value

CUSIP No. 950001-10-7

ORIGINAL LISTING

Number of Shares of Common Stock Issued as of June 8, 1971:	Approximate Number of Stockholders:
1,582,357	3,400
(Including 7,150 shares in the Treasury)	

Reference is made to the Prospectus dated April 19, 1971 and supplement thereto dated April 20, 1971 which is incorporated herein and made a part hereof.

SHARES APPLIED FOR BUT NOT YET ISSUED AND AUTHORITY FOR ISSUANCE

In addition to the 1,582,357 shares presently issued, this Application covers the listing upon notice of issuance of an additional 338,243 authorized but unissued shares of Common Stock which are reserved for issuance as follows:

334,743 shares of Common Stock reserved for issuance upon exercise of stock options granted and to be granted pursuant to the Company's Stock Option Plan, which was authorized by the Board of Directors on June 21, 1968 and approved by stockholders at a meeting held on August 20, 1968; amendments to the Stock Option Plan were authorized by the Board of Directors on April 23, 1969 and January 5, 1971 and approved by stockholders at meetings held on May 26, 1969 and March 10, 1971, respectively; and

3,500 shares of Common Stock reserved for issuance upon exercise of rights that have been granted pursuant to the Company's Incentive Stock Purchase Plan, which was authorized by the Board of Directors on June 21, 1968 and approved by stockholders at a meeting held on August 20, 1968; amendments to this Plan were authorized by the Board of Directors on April 23, 1969 and on May 7, 1971 and the former was approved by stockholders at a meeting held on May 26, 1969 and the latter did not require stockholder approval.

STOCKHOLDER RELATIONS

The Company publishes condensed quarterly earnings reports which are made available to the press within 45 days after the close of each fiscal quarter and distributes condensed semi-annual earnings reports to its stockholders in addition to its year-end annual report. The Company solicits proxies for all meetings of its stockholders and furnishes proxy statements and other relevant information describing the matters to be acted upon at the meetings. As to dividends, reference is made to the caption "DIVIDENDS" on Page 3 of the attached Prospectus. From time to time developments concerning other aspects of the Company's affairs are released to the press and stockholders.

BUSINESS, FINANCIAL AND ACCOUNTING POLICIES

Independent Auditors

Haskins & Sells, independent public accountants, audit the accounts of the Company and have done so since the latter's organization in 1966. They are appointed by and report to the Board of Directors. Their appointment is ratified annually by the stockholders of the Company. The auditors make an annual examination of the Company and are authorized to examine all records and supporting documents. Representatives of the auditors regularly attend the annual meeting of stockholders and are authorized to answer questions from stockholders.

Chief Accounting Officer

The Chief Accounting Officer of the Company is Gerald A. Kessler, Vice President—Finance. Mr. Kessler is appointed by the Board of Directors annually and reports directly to the President. He is responsible for accounting, accounting policy, internal auditing systems and procedures for the Company and its subsidiaries. He does not normally attend meetings of the Board of Directors. Frank G. Colnar, Senior Vice President—Financial Planning and a director, is responsible for financial reporting and the interpretation thereof.

Leases

Reference is made to the caption "PROPERTIES—OFFICES" on Page 10 of the attached Prospectus. Leases are generally long-term and rentals are generally at a flat rate.

Depreciation

Reference is made to Note 2 to Consolidated Financial Statements on Page 26 of the attached Prospectus.

Amortization

Reference is made to Notes 3, 4 and 6 to Consolidated Financial Statements on Pages 26 and 27 of the attached Prospectus.

Commitments

It is not the policy of the Company to make future commodity commitments. In the normal course of the Company's business, it is not necessary to expand working capital through short term loans. Reference is made to Note 11 to Consolidated Financial Statements on Page 29 of the attached Prospectus.

Valuation of Inventories

The maintenance of inventories is not a normal part of the Company's business.

Marketable Securities

The excess of the proceeds over cost of marketable securities is reflected in income in the period when sold or redeemed.

Consolidation

Reference is made to Note 1 to Consolidated Financial Statements on Page 26 of the attached Prospectus.

Other Policies

See Notes 4 and 5 to Consolidated Financial Statements on Pages 26 and 27 of the attached Prospectus.

CERTIFICATE OF PRINCIPAL ACCOUNTING OFFICER

I hereby certify, subject to year-end adjustments by our independent Certified Public Accountants, that, to the best of my knowledge, the following Statement of Consolidated Income for the six-month periods ended April 30, 1971 and 1970 have been prepared in accordance with generally accepted accounting principles and present fairly the financial information contained therein.

WELLS, RICH, GREENE, INC.

GERALD A. KESSLER
Principal Accounting Officer

July 1, 1971

WELLS, RICH, GREENE, INC. AND SUBSIDIARY COMPANIES

STATEMENT OF CONSOLIDATED INCOME
(Unaudited)

	Six-Month Periods Ended April 30,	
	1971	*1970*
Gross Billings	$53,045,750	$44,051,295
Revenue from Commissions and Service Fees	$ 7,952,886	$ 6,604,392
Other Income	35,888	124,941
Total Income	7,988,774	6,729,333
Expenses (After deducting amounts charged to deferred costs of advertising and product development services)		
Salaries, wages and employee benefits	2,921,807	3,474,525
Allowance for depreciation and amortization	158,600	97,035
Other office and general expenses	1,600,990	1,483,701
Amortization of deferred expenses	318,016	261,730
Total Expenses	4,999,413	5,316,991
Income Before Provision for Taxes on Income	2,989,361	1,412,342
Provision for Taxes on Income	1,627,741	511,581
Net Income	$ 1,361,620	$ 900,761
Per Share of Common Stock	$0.85	$0.57

Based upon 1,600,916 and 1,582,200 shares respectively.

LISTING AGREEMENT

Nothing in the following Agreement shall be so construed as to require the Issuer to do any acts in contravention of law or in violation of any rule or regulation of any public authority exercising jurisdiction over the Issuer.

Wells, Rich, Greene, Inc. (hereinafter called the "Corporation"), in consideration of the listing of the securities covered by this application, hereby agrees with the New York Stock Exchange, Inc. (hereinafter called the "Exchange"), as follows:

1. The Corporation will promptly notify the Exchange of any change in the general character or nature of its business.

2. The Corporation will promptly notify the Exchange of any changes of officers or directors.

3. The Corporation will promptly notify the Exchange in the event that it or any company controlled by it shall dispose of any property or of any stock interest in any of its subsidiary or controlled companies, if such disposal will materially affect the financial position of the Corporation or the nature or extent of its operations.

4. The Corporation will promptly notify the Exchange of any change in, or removal of, collateral deposited under any mortgage or trust indenture, under which securities of the Corporation listed on the Exchange have been issued.

5. The Corporation will:

a. File with the Exchange four copies of all material mailed by the Corporation to its stockholders with respect to any amendment or proposed amendment to its Certificate of Incorporation.

b. File with the Exchange a copy of any amendment to its Certificate of Incorporation, or resolution of Directors in the nature of an amendment, certified by the Secretary of the state of incorporation, as soon as such amendment or resolution shall have been filed in the appropriate state office.

c. File with the Exchange a copy of any amendment to its By-Laws, certified by a duly authorized officer of the Corporation, as soon as such amendment shall have become effective.

6. The Corporation will disclose in its annual report to shareholders, for the year covered by the report, (1) the number of shares of its stock issuable under outstanding options at the beginning of the year; separate totals of changes in the number of shares of its stock under option resulting from issuance, exercise, expiration or cancellation of options; and the number of shares issuable under outstanding options at the close of the year, (2) the number of unoptioned shares available at the beginning and at the close of the year for the granting of options under an option plan, and (3) any changes in the exercise price of outstanding options, through cancellation and reissuance or otherwise, except price changes resulting from the normal operation of anti-dilution provisions of the options.

7. The Corporation will report to the Exchange, within ten days after the close of a fiscal quarter, in the event any previously issued shares of any stock of the Corporation listed on the Exchange have been reacquired or disposed of, directly or indirectly, for the account of the Corporation during such fiscal quarter, such report showing separate totals for acquisitions and dispositions and the number of shares of such stock so held by it at the end of such quarter.

8. The Corporation will promptly notify the Exchange of all facts relating to the purchase, direct or indirect, of any of its securities listed on the Exchange at a price in excess of the market price of such security prevailing on the Exchange at the time of such purchase.

9. The Corporation will not select any of its securities listed on the Exchange for redemption otherwise than by lot or pro rata, and will not set a redemption date earlier than fifteen days after the date corporate action is taken to authorize the redemption.

10. The Corporation will promptly notify the Exchange of any corporate action which will result he redemption, cancellation or retirement, in whole or in part, of any of its securities listed on the hange, and will notify the Exchange as soon as the Corporation has notice of any other action which result in any such redemption, cancellation or retirement.

11. The Corporation will promptly notify the Exchange of action taken to fix a stockholders' d date, or to close the transfer books, for any purpose, and will take such action at such time as permit giving the Exchange at least ten days' notice in advance of such record date or closing of ooks.

12. In case the securities to be listed are in temporary form, the Corporation agrees to order per- engraved securities within thirty days after the date of listing.

13. The Corporation will furnish to the Exchange on demand such information concerning the ration as the Exchange may reasonably require.

14. The Corporation will not make any change in the form or nature of any of its securities listed Exchange, nor in the rights or privileges of the holders thereof, without having given twenty rior notice to the Exchange of the proposed change, and having made application for the listing securities as changed if the Exchange shall so require.

15. The Corporation will make available to the Exchange, upon request, the names of member f the Exchange which are registered owners of stock of the Corporation listed on the Exchange y time the need for such stock for loaning purposes on the Exchange should develop, and in addi- found necessary, will use its best efforts with any known large holders to make reasonable s of such stock available for such purposes in accordance with the rules of the Exchange.

16. The Corporation will promptly notify the Exchange of any diminution in the supply of stock for the market occasioned by deposit of stock under voting trust agreements or other deposit nts, if knowledge of any such actual or proposed deposits should come to the official attention of ers or directors of the Corporation.

17. The Corporation will make application to the Exchange for the listing of additional amounts ties listed on the Exchange sufficiently prior to the issuance thereof to permit action in due pon such application.

II

The Corporation will publish at least once a year and submit to its stockholders at least fifteen dvance of the annual meeting of such stockholders and not later than three months after the he last preceding fiscal year of the Corporation a balance sheet as of the end of such fiscal year, plus and income statement for such fiscal year of the Corporation as a separate corporate entity ch corporation in which it holds directly or indirectly a majority of the equity stock; or in lieu liminating all intercompany transactions, a consolidated balance sheet of the Corporation bsidiaries as of the end of its last previous fiscal year, and a consolidated surplus statement solidated income statement of the Corporation and its subsidiaries for such fiscal year. If consolidated statement shall exclude corporations a majority of whose equity stock is owned indirectly by the Corporation: (a) the caption of, or a note to, such statement will show of consolidation; (b) the consolidated income account will reflect, either in a footnote or other- arent company's proportion of the sum of, or difference between, current earnings or losses vidends of such unconsolidated subsidiaries for the period of the report; and (c) the con- alance sheet will reflect, either in a footnote or otherwise, the extent to which the equity of company in such subsidiaries has been increased or diminished since the date of acquisition of profits, losses and distributions.

Appropriate reserves, in accordance with good accounting practice, will be made against profits arising out of all transactions with unconsolidated subsidiaries in either parent company statements or consolidated statements.

Such statements will reflect the existence of any default in interest, cumulative dividend requirements, sinking fund or redemption fund requirements of the Corporation and of any controlled corporation, whether consolidated or unconsolidated.

2. All financial statements contained in annual reports of the Corporation to its stockholders will be audited by independent public accountants qualified under the laws of some state or country, and will be accompanied by a copy of the certificate made by them with respect to their audit of such statements showing the scope of such audit and the qualifications, if any, with respect thereto.

The Corporation will promptly notify the Exchange if it changes its independent public accountants regularly auditing the books and accounts of the Corporation.

3. All financial statements contained in annual reports of the Corporation to its stockholders shall be in the same form as the corresponding statements contained in its annual report for fiscal year ended October 31, 1970, and shall disclose any substantial items of unusual or nonrecurrent nature.

4. The Corporation will publish quarterly statements of earnings on the basis of the same degree of consolidation as in the annual report. Such statements will disclose any substantial items of unusual or non-recurrent nature and will show either net income before and after federal income taxes or net income and the amount of federal income taxes.

5. The Corporation will not make, nor will it permit any subsidiary directly or indirectly controlled by it to make, any substantial charges against capital surplus, without notifying the Exchange. If so requested by the Exchange, the Corporation will submit such charges to stockholders for approval or ratification.

6. The Corporation will not make any substantial change, nor will it permit any subsidiary directly or indirectly controlled by it to make any substantial change, in accounting methods, in policies as to depreciation and depletion or in bases of valuation of inventories or other assets, without notifying the Exchange and disclosing the effect of any such change in its next succeeding interim and annual report to its stockholders.

III

1. The Corporation will maintain in the Borough of Manhattan, City of New York, in accordance with the requirements of the Exchange:

a. An office or agency where the principal of and interest on all bonds of the Corporation listed on the Exchange shall be payable and where any such bonds which are registerable as to principal or interest may be registered.

b. An office or agency where

(1). All stock of the Corporation listed on the Exchange shall be transferable.

(2). Checks for dividends and other payments with respect to stock listed on the Exchange may be presented for immediate payment.

(3). Scrip issued to holders of a security listed on the Exchange and representing a fractional interest in a security listed on the Exchange will, during the period provided for consolidation thereof, be accepted for such purpose.

(4). A security listed on the Exchange which is convertible will be accepted for conversion.

If at any time the transfer office or agency for a security listed on the Exchange shall be located north of Chambers Street, the Corporation will arrange, at its own cost and expense, that its registrar's office, or some other suitable office satisfactory to the Exchange and south of Chambers Street, will receive and redeliver all securities there tendered for the purpose of transfer.

If the transfer books for a security of the Corporation listed on the Exchange should be closed permanently, the Corporation will continue to split up certificates for such security into certificates of smaller denomination in the same name so long as such security continues to be dealt in on the Exchange.

If checks for dividends or other payments with respect to stock listed on the Exchange are drawn on a bank located outside the City of New York, the Corporation will also make arrangements for payment of such checks at a bank, trust company or other agency located in the Borough of Manhattan, City of New York.

c. A registrar where stock of the Corporation listed on the Exchange shall be registerable. Such registrar shall be a bank or trust company not acting as transfer agent for the same security.

2. The Corporation will not appoint a transfer agent, registrar or fiscal agent of, nor a trustee under a mortgage or other instrument relating to, any security of the Corporation listed on the Exchange without prior notice to the Exchange, and the Corporation will not appoint a registrar for its stock listed on the Exchange unless such registrar, at the time of its appointment becoming effective, is qualified with the Exchange as a registrar for securities listed on the Exchange; nor will the Corporation select an officer or director of the Corporation as a trustee under a mortgage or other instrument relating to a security of the Corporation listed in the Exchange.

3. The Corporation will have on hand at all times a sufficient supply of certificates to meet the demands for transfer. If at any time the stock certificates of the Corporation do not recite the preferences of all classes of its stock, it will furnish to its stockholders, upon request and without charge, a printed copy of preferences of all classes of such stock.

4. The Corporation will publish immediately to the holders of any of its securities listed on the Exchange any action taken by the Corporation with respect to dividends or to the allotment of rights to subscribe or to any rights or benefits pertaining to the ownership of its securities listed on the Exchange; and will give prompt notice to the Exchange of any such action; and will afford the holders of its securities listed on the Exchange a proper period within which to record their interests and to exercise their rights; and will issue all such rights or benefits in form approved by the Exchange and will make the same transferable, exercisable, payable and deliverable in the Borough of Manhattan the City of New York.

5. The Corporation will solicit proxies for all meetings of stockholders.

6. The Corporation will issue new certificates for securities listed on the Exchange replacing lost ones forthwith upon notification of loss and receipt of proper indemnity. In the event of the issuance of any duplicate bond to replace a bond which has been alleged to be lost, stolen or destroyed and the subsequent appearance of the original bond in the hands of an innocent bondholder, either the original or the duplicate bond will be taken up and cancelled and the Corporation will deliver to such holder another bond theretofore issued and outstanding.

OPINION OF COUNSEL

Messrs. Hughes Hubbard & Reed, One Wall Street, New York, New York 10005 have filed an opinion with the New York Stock Exchange to the effect that:

1. The Company is a corporation duly organized and validly existing in good standing under the laws of the State of New York.

2. The aggregate number of shares which the Company has authority to issue is 5,000,000 shares of Common Stock, of which 338,243 are reserved for issuance and 1,582,357 are issued (including shares held in the Treasury of the Company).

3. The shares of Common Stock now outstanding have been duly authorized and are validly issued, fully paid and nonassessable and no personal liability attaches to the ownership thereof under the laws of the State of New York, the State in which the Company is incorporated (except as provided in Section 630 of the New York Business Corporation Law relating to debts due and owing to a corporation's laborers, servants or employees).

4. Of the 1,582,357 shares of Common Stock which have been issued, 50,000 shares were sold by the Company pursuant to Registration No. 2-29926 on Form S-1 under the Securities Act of 1933, as amended (the "Act"), and 257 shares were sold pursuant to Registration No. 2-38027 on Form S-8 under the Act. Of the remaining 1,532,100 issued shares of Common Stock, (i) the issuances of shares to the founders and certain officers and other key employees of the Company were exempt from the registration requirements of the Act by reason of Section 4(2) thereof; (ii) the issuance of an aggregate of 57,240 shares of Common Stock and Class A Stock pursuant to the stock split on June 30, 1967 and the issuance of 1,450,600 shares of Common Stock pursuant to the recapitalization on August 15, 1968 were exempt from the registration requirements of the Act by reason of Sections 2(3) and 3(a)(9) thereof; and (iii) the issuances of 82,100 shares of Common Stock pursuant to the Company's Incentive Stock Purchase Plan were exempt from the registration requirements of the Act by reason of Section 4(2) thereof.

5. 334,743 authorized but unissued shares of Common Stock have been duly authorized for issuance pursuant to the Company's Stock Option Plan, as amended, and will be duly and validly issued, fully paid and nonassessable (except as provided in Section 630 of the New York Business Corporation Law relating to debts due and owing to a corporation's laborers, servants or employees) when issued in accordance with the terms of outstanding options or options that may hereafter be granted pursuant to such Plan and subject to full payment for the shares at the time of issuance. When payment for shares is made in installments, such shares will be fully paid when payments are completed in accordance with such Plan. The Company intends to register the sale of 335,000 shares pursuant to this Plan on Form S-8 under the Act.

6. 3,500 authorized but unissued shares of Common Stock have been duly authorized for issuance pursuant to the Company's Incentive Stock Purchase Plan, as amended, and will be duly and validly issued, fully paid and nonassessable (except as provided in Section 630 of the New York Business Corporation Law relating to debts due and owing to a corporation's laborers, servants or employees) when issued in accordance with the terms of rights that have been granted pursuant to such Plan. The sale of such shares has not been registered under the Act, but it is anticipated that an exemption from the registration requirements of the Act by reason of Section 4(2) thereof will be available for any such sales.

GENERAL INFORMATION

The fiscal year of the Company ends October 31.

The principal executive office of the Company is located at 767 Fifth Avenue, New York, New York 10022.

The annual meeting of the stockholders of the Company is held on such date in each year and at such place as the Directors may designate. In past years, annual meetings have been held in New York City. A majority of the outstanding shares of Common Stock entitled to vote constitutes a quorum at meetings of stockholders.

The names and addresses of the transfer agent and registrar of the Company's Common Stock, 0 Par Value, are:

Transfer Agent	Registrar
Chemical Bank 20 Pine Street New York, N. Y. 10015	United States Trust Company of New York 45 Wall Street New York, N. Y. 10005

WELLS, RICH, GREENE, INC.

By MARY WELLS LAWRENCE
President

he New York Stock Exchange, Inc. hereby authorizes the listing of 1,582,357 shares of Common $1.00 Par Value, of Wells, Rich, Greene, Inc., all of which are issued.

he Exchange also authorizes the listing of additional shares of Common Stock, upon official notice ance, as follows:

334,743 additional shares to be issued upon exercise of options granted and to be granted pursuant to the Company's Stock Option Plan; and

3,500 additional shares to be issued upon exercise of rights that have been granted pursuant to the Company's Incentive Stock Purchase Plan,

ereinabove described, making a total of 1,920,600 shares of Common Stock, $1.00 Par Value, ed to be listed.

IP L. WEST, *Director*
artment of Stock List

ROBERT W. HAACK, *President*
New York Stock Exchange, Inc.

EXHIBIT 16

Form 4 of Mary Wells Lawrence for January 1974

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SECURITIES AND EXCHANGE COMMISSION • Washington, D. C. 20549

FORM 4 Statement of Changes in Beneficial Ownership of Securities

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935, or Section 30(f) of the Investment Company Act of 1940

1. NAME AND BUSINESS ADDRESS OF REPORTING PERSON	2. STATE OF INCORPORATION	3. IF AN AMENDMENT GIVE DATE OF STATEMENT AMENDED	4. NAME OF COMPANY
Lawrence (LAST) Mary (FIRST) Wells (MIDDLE) 767 Fifth Avenue New York, New York 10022 (ZIP CODE)	New York	(MONTH) (DAY) (YEAR)	Wells, Rich, Greene, Inc.
5. IRS OR SS IDENTIFYING NUMBER OF REPORTING PERSON	**6. STATEMENT FOR CALENDAR MONTH OF**	**7. DATE OF LAST PREVIOUS STATEMENT**	**8. RELATIONSHIPS OF REPORTING PERSON TO COMPANY (Instr. 4)** ☐
283-24-0972	January (MONTH) 1974 (YEAR)	August (MONTH) 7 (DAY) 1972 (YEAR)	Chairman of the Board of Directors and Chief Executive Officer

TABLE I. Securities Bought, Sold or Otherwise Acquired or Disposed of ☐

Furnish the information required by the following table as to securities of the company bought or sold or otherwise acquired or disposed of by the reporting person during the month for which this statement is filed *(See Instruction 5)* and as to securities of the company beneficially owned, directly or indirectly, at the end of the month. However, transactions involving the acquisition or disposition of puts, calls, options or other rights or obligations to buy or sell securities of the company shall be reported in Table II.

1. TITLE OF SECURITIES (Instr. 8)	2. CUSIP NUMBER FOR SEC USE ONLY	3. DATE OF TRANSACTION (Instr. 9)	4. AMOUNT OF SECURITIES ACQUIRED OR DISPOSED OF (Instr. 10)	5. NATURE OF OWNERSHIP OF SECURITIES ACQUIRED OR DISPOSED OF (Instr. 11)	6. CHARACTER OF TRANSACTION REPORTED (Instr. 12)	7. PURCHASE OR SALE PRICE PER SHARE OR OTHER UNIT (Instr. 13)	8. AMOUNT OWNED AT END OF MONTH (Instr. 10)	9. NATURE OF OWNERSHIP OF SECURITIES OWNED AT END OF MONTH (Instr. 11)
Common Stock, $1.00 par value		January 23, 1974	800 shares	Direct	Open Market Purchase	$8.50		
Common Stock, $1.00 par value		January 24, 1974	200 shares	Direct	Open Market Purchase	$8.75	85,500 shares	Direct

TABLE II. Puts, Calls, Options and Other Rights or Obligations

...nth for which this statement is filed the reporting person acquired or ...t, call, option or other right or obligation (all hereinafter referred to as ... or sell, or be required to buy or sell, securities of the company, furnish ... required by the following table. *(See Instruction 5)* However, the acquisition or disposition of transferable warrants issued by the company which give the right to buy securities of the company are to be reported in Table I. Options exempted by Rule 16a-6 need not be reported.

1. TLE OF SECURITIES UBJECT TO OPTION *(Instr. 8)*	2. CUSIP NUMBER FOR SEC USE ONLY	3. DATE OF TRANSACTION *(Instr. 9)*	4. NATURE OF OPTION *(Instr. 15)*	5. AMOUNT OF SECURITIES SUBJECT TO OPTION *(Instr. 10)*	6. CHARACTER OF TRANSACTION, IF ANY, REPORTED *(Instr. 12)*	7. PURCHASE OR SALE PRICE OF SECURITIES SUBJECT TO OPTION *(Instr. 13)*	8. DATE OF EXPIRATION OF OPTION

Explanation of items in the tables:

*U.S. Government Printing Office: 1972 — 457-606 .05 2010

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February 4, 1974
DATE OF STATEMENT

Mary Wells Lawrence
SIGNATURE OF REPORTING PERSON

Mary Wells Lawrence

NOTE: If the space provided in either table is insufficient, use a continuation sheet which identifies the table and column to which it relates.

EXHIBIT 17

Form 4 of Mary Wells Lawrence for February 1974

SECURITIES AND EXCHANGE COMMISSION • Washington, D. C. 20549

FORM 4 Statement of Changes in Beneficial Ownership of Securities

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935, or Section 30(f) of the Investment Company Act of 1940

1.	
	767
	New

Fi
company
during the

1.
TITLE
Common $1.00 pa
Common $1.00 pa
Common $1.00 pa
Common $1.00 pa

1. BUSINESS ADDRESS OF REPORTING PERSON	2. STATE OF INCORPORATION	3. IF AN AMENDMENT GIVE DATE OF STATEMENT AMENDED	4. NAME OF COMPANY
ence Mary Wells (FIRST / MIDDLE) Fifth Avenue York, New York 10022 (ZIP CODE)	New York	(MONTH / DAY / YEAR)	Wells, Rich, Greene, Inc.

5. IRS OR SS IDENTIFYING NUMBER OF REPORTING PERSON	6. STATEMENT FOR CALENDAR MONTH OF	7. DATE OF LAST PREVIOUS STATEMENT	8. RELATIONSHIPS OF REPORTING PERSON TO COMPANY (Instr. 4) ☐
233 - 24 - 0972	February (MONTH) 1974 (YEAR)	February (MONTH) 4 (DAY) 1974 (YEAR)	Chairman of the Board of Directors and Chief Executive Officer

TABLE I. Securities Bought, Sold or Otherwise Acquired or Disposed of ☐

Furnish the information required by the following table as to securities of the company beneficially owned, directly or indirectly, at the end of the month. bought or sold or otherwise acquired or disposed of by the reporting person month for which this statement is filed (*See Instruction 5*) and as to securities of the company shall be reported in Table II. However, transactions involving the acquisition or disposition of puts, calls, options or other rights or obligations to buy or sell securities of the company shall be reported in Table II.

1. TITLE OF SECURITIES (Instr. 8)	2. CUSIP NUMBER FOR SEC USE ONLY	3. DATE OF TRANSACTION (Instr. 9)	4. AMOUNT OF SECURITIES ACQUIRED OR DISPOSED OF (Instr. 10)	5. NATURE OF OWNERSHIP OF SECURITIES ACQUIRED OR DISPOSED OF (Instr. 11)		6. CHARACTER OF TRANSACTION REPORTED (Instr. 12)		7. PURCHASE OR SALE PRICE PER SHARE OR OTHER UNIT (Instr. 13)	8. AMOUNT OWNED AT END OF MONTH (Instr. 10)	9. NATURE OF OWNERSHIP OF SECURITIES OWNED AT END OF MONTH (Instr. 11)	
Stock, r value		February 5, 1974	7,000 shares	Direct		Open Market Purchase		$8.50			
Stock, r value		February 11, 1974	400 shares	Direct		Open Market Purchase		$8.75			
Stock, r value		February 12, 1974	400 shares	Direct		Open Market Purchase		$8.625			
Stock, r value		February 25, 1974	200 shares	Direct		Open Market Purchase		$8.075	93,500 shares	Direct	

TABLE II. Puts, Calls, Options and Other Rights or Obligations

If during the month for which this statement is filed the reporting person acquired or disposed of any put, call, option or other right or obligation (all hereinafter referred to as "options") to buy or sell, or be required to buy or sell, securities of the company, furnish the information required by the following table. *(See Instruction 5)* However, the acquisition or disposition of transferable warrants issued by the company which give the holder the right to buy securities of the company are to be reported in Table I. Options exempted by Rule 16a-6 need not be reported.

1. TITLE OF SECURITIES SUBJECT TO OPTION *(Instr. 8)*	2. CUSIP NUMBER FOR SEC USE ONLY	3. DATE OF TRANSACTION *(Instr. 9)*	4. NATURE OF OPTION *(Instr. 15)*	5. AMOUNT OF SECURITIES SUBJECT TO OPTION *(Instr. 10)*	6. CHARACTER OF TRANSACTION, IF ANY, REPORTED *(Instr. 12)*	7. PURCHASE OR SALE PRICE OF SECURITIES SUBJECT TO OPTION *(Instr. 13)*	8. DA EX OF

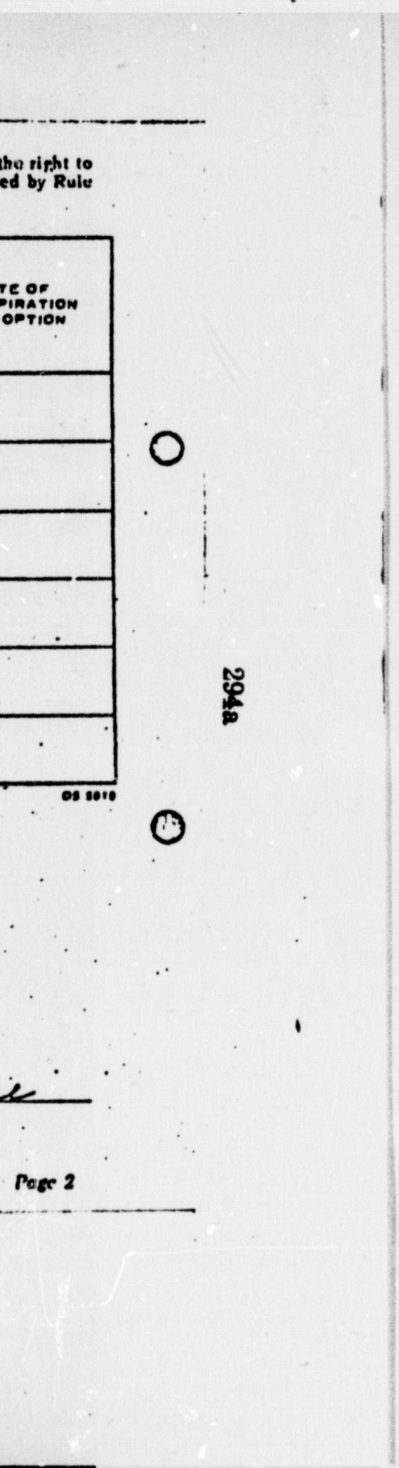
*U.S. Government Printing Office: 1972 — 457-606

Explanation of items in the tables:

March 5, 1974
DATE OF STATEMENT

/s/Mary Wells Lawrence
SIGNATURE OF REPORTING PERSON

NOTE: If the space provided in either table is insufficient, use a continuation sheet which identifies the table and column to which it relates.



2948

EXHIBIT 18

Form 4 of Mary Wells Lawrence for March 1974

buy securities of the company are to be reported in Table I. Options exempted by Rule

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SECURITIES AND EXCHANGE COMMISSION • Washington, D. C. 20549

Form 4 Statement of Changes in Beneficial Ownership of Securities

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935, or Section 30(f) of the Investment Company Act of 1940

1. Name and Address of Reporting Person	2. If Required	3. If Required	4. Issuer Name and Ticker or Trading Symbol
Lawrence Mary Wells	New York		Wells, Rich, Greene, Inc.
767 Fifth Avenue			
New York, New York 10022			
(City) (State) (Zip Code)			

5. If Entity, IRS or SS Identifying Number of Reporting Person	6. Statement for Calendar Month of	7. Date of Last Previous Statement	8. Relationship of Reporting Person to Company (Instr. 4)
283 - 24 - 0972	March 1974	March 5 1974	Chairman of the Board of Directors and Chief Executive Officer

TABLE I. Securities Bought, Sold or Otherwise Acquired or Disposed of

Furnish the information required by the following table as to securities of the company bought or sold or otherwise acquired or disposed of by the reporting person during the month for which this statement is filed (See Instruction 5) and as to securities of the company beneficially owned, directly or indirectly, at the end of the month. However, transactions involving the acquisition or disposition of puts, calls, options or other rights or obligations to buy or sell securities of the company shall be reported in Table II.

1. Title of Securities (Instr. 8)	2. Cusip Number	3. Date of Transaction (Instr. 9)	4. Amount of Securities Acquired or Disposed of (Instr. 10)	5. Nature of Ownership of Securities Acquired or Disposed of (Instr. 11)	6. Character of Transaction Reported (Instr. 12)	7. Purchase or Sale Price per Share or Other Unit (Instr. 13)	8. Amount Owned at End of Month (Instr. 10)	9. Nature of Ownership of Securities Owned at End of Month (Instr. 11)
Common Stock, $1.00 par value	FOR SEC USE ONLY	March 11, 1974	700 shares	Direct	Open Market Purchase	$9.125		
Common Stock, $1.00 par value		March 12, 1974	200 shares	Direct	Open Market Purchase	$9.125		
Common Stock, $1.00 par value		March 13, 1974	7,500 shares	Direct	Open Market Purchase	$9.25		
Common Stock, $1.00 par value		March 20, 1974	5,600 shares	Direct	Open Market Purchase	$9.00		
Common Stock, $1.00 par value		March 22, 1974	7,500 shares	Direct	Open Market Purchase	$9.25	115,000 shares	Direct

TABLE II. Puts, Calls, Options and Other Rights or Obligations

If [illegible] for which [illegible] reporting person acquired or disposed of a put, call, option or other right or obligation (all hereinafter referred to as "options") in lieu of or in addition to buying or selling securities of the company, furnish the information required by the following table. (See Instruction 5) However, the acquisition or disposition of [illegible] by the company which give the right to buy securities of the company are to be reported in Table I. Options exempted by Rule 16a-6 need not be reported.

1. TITLE OF SECURITIES SUBJECT TO OPTION (Instr. 8)	2. CUSIP NUMBER FOR SEC USE ONLY	3. DATE OF TRANSACTION (Instr. 9)	4. NATURE OF OPTION (Instr. 15)	5. AMOUNT OF SECURITIES SUBJECT TO OPTION (Instr. 10)	6. CHARACTER OF TRANSACTION, IF ANY, REPORTED (Instr. 12)	7. PURCHASE OR SALE PRICE OF SECURITIES SUBJECT TO OPTION (Instr. 13)	8. DATE OF EXPIRATION OF OPTION

Explanation of items in the tables:

©U.S. Government Printing Office: 1972 — 457-606

April 8, 1974
DATE OF STATEMENT

Mary Wells Lawrence
SIGNATURE OF REPORTING PERSON

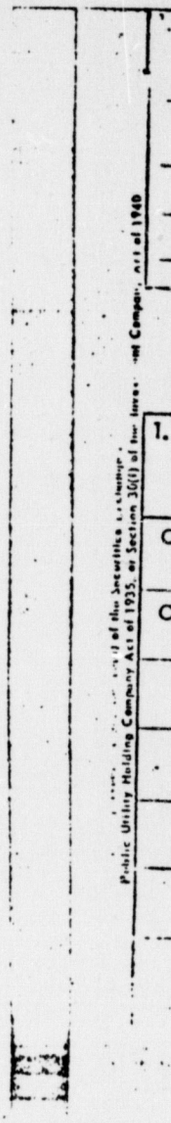
Mary Wells Lawrence

NOTE: If the space provided in either table is insufficient, use a continuation sheet which identifies the table and column to which it relates.

297a

EXHIBIT 19

Form 4 of Frank G. Colnar for July 1974



Colnar Frank G. (LAST) (FIRST) (MIDDLE)	New York (MONTH DAY YEAR)	Wells, Rich, Greene, Inc.	
767 Fifth Avenue New York, New York 10022 (ZIP CODE)	5. IRS OR SS IDENTIFYING NUMBER OF REPORTING PERSON 521-09-4318	6. STATEMENT FOR CALENDAR MONTH OF July 1974 (MONTH YEAR)	7. DATE OF LAST PREVIOUS STATEMENT February 5 1973 (MONTH DAY YEAR)	8. RELATIONSHIPS OF REPORTING PERSON TO COMPANY (Instr. 4) Executive Vice President

TABLE I. Securities Bought, Sold or Otherwise Acquired or Disposed of

Furnish the information required by the following table as to securities of the company bought or sold or otherwise acquired or disposed of by the reporting person during the month for which this statement is filed (*See Instruction 5*) and as to securities of the company beneficially owned, directly or indirectly, at the end of the month. However, transactions involving the acquisition or disposition of puts, calls, options or other rights or obligations to buy or sell securities of the company shall be reported in Table II.

1. TITLE OF SECURITIES (Instr. 8)	2. CUSIP NUMBER FOR SEC USE ONLY	3. DATE OF TRANSACTION (Instr. 9)	4. AMOUNT OF SECURITIES ACQUIRED OR DISPOSED OF (Instr. 10)	5. NATURE OF OWNERSHIP OF SECURITIES ACQUIRED OR DISPOSED OF (Instr. 11)	6. CHARACTER OF TRANSACTION REPORTED (Instr. 12)	7. PURCHASE OR SALE PRICE PER SHARE OR OTHER UNIT (Instr. 13)	8. AMOUNT OWNED AT END OF MONTH (Instr. 10)	9. NATURE OF OWNERSHIP OF SECURITIES OWNED AT END OF MONTH (Instr. 11)
Common Stock, $1.00 Par Value		July 9, 1974	100 shrs	Direct	Open Market Purchase	$6.00		
Common Stock, $1.00 Par Value		July 10, 1974	200 shrs	Direct	Open Market Purchase	$6.25	11,000 shrs	Direct

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...E II. PUTS, CALLS, OPTIONS OR OTHER RIGHTS OR OBLIGATIONS

...for each put, call, option or other right or obligation to acquire or dispose of securities of the company, or to enter into any transaction which gives the ... to buy or sell, or be required to buy or sell, securities of the company, furnish the information required by the following table. (See Instruction 5) However, the acquisition or disposition ... transaction ... which gives the ... to buy securities of the company ... to be set out in Table I. Options exempted by Rule 16a-6 need not be reported.

1. TITLE OF SECURITIES SUBJECT TO OPTION (Instr. 8)	2. CUSIP NUMBER FOR SEC USE ONLY	3. DATE OF TRANSACTION (Instr. 9)	4. NATURE OF OPTION (Instr. 15)	5. AMOUNT OF SECURITIES SUBJECT TO OPTION (Instr. 10)	6. CHARACTER OF TRANSACTION, IF ANY, REPORTED (Instr. 12)	7. PURCHASE OR SALE PRICE OF SECURITIES SUBJECT TO OPTION (Instr. 13)	8. DATE OF EXPIRATION OF OPTION

Explanation of items in the tables:

*U.S.Government Printing Office: 1972 — 457-606 OS 3618

August 7, 1974

DATE OF ...

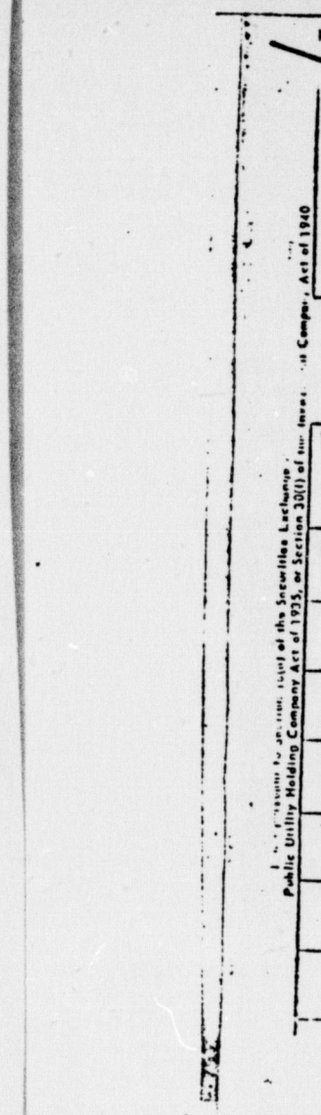
Frank D. Colman

SIGNATURE OF ... REPORTING ...

300a

EXHIBIT 20

Form 4 of E. Donald Challis for July 1974



1.	2.	3.	4.
Challis E. Donald LAST FIRST MIDDLE	New York	MONTH DAY YEAR	Wells, Rich, Greene, Inc.
767 Fifth Avenue New York, New York 10022 (ZIP CODE)	5. IRS OR SS IDENTIFYING NUMBER OF REPORTING PERSON 211 - 32 - 9325	6. STATEMENT FOR CALENDAR MONTH OF July 1974 MONTH YEAR	7. DATE OF LAST PREVIOUS STATEMENT November 1 1972 MONTH DAY YEAR	8. RELATIONSHIPS OF REPORTING PERSON TO COMPANY (Instr. 4) Vice President

TABLE I. Securities Bought, Sold or Otherwise Acquired or Disposed of

Furnish the information required by the following table as to securities of the company bought or sold or otherwise acquired or disposed of by the reporting person during the month for which this statement is filed *(See Instruction 5)* and as to securities of the company beneficially owned, directly or indirectly, at the end of the month. However, transactions involving the acquisition or disposition of puts, calls, options or other rights or obligations to buy or sell securities of the company shall be reported in Table II.

1. TITLE OF SECURITIES (Instr. 8)	2. CUSIP NUMBER	3. DATE OF TRANSACTION (Instr. 9)	4. AMOUNT OF SECURITIES ACQUIRED OR DISPOSED OF (Instr. 10)	5. NATURE OF OWNERSHIP OF SECURITIES ACQUIRED OR DISPOSED OF (Instr. 11)	6. CHARACTER OF TRANSACTION REPORTED (Instr. 12)	7. PURCHASE OR SALE PRICE PER SHARE OR OTHER UNIT (Instr. 13)	8. AMOUNT OWNED AT END OF MONTH (Instr. 10)	9. NATURE OF OWNERSHIP OF SECURITIES OWNED AT END OF MONTH (Instr. 11)
Common Stock $1.00 Par Value	FOR SEC USE ONLY	July11, 1974	100 shrs	Direct	Open Market Purchase	$6.00 per sh.	100 shrs	Direct

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...information required by the following table. *(See Instruction 5)* However, the acquisi-...buy securities of the company are to be reported in Table I. Options exempt...16a-6 need not be reported.

1. TITLE OF SECURITIES SUBJECT TO OPTION *(Instr. 8)*	2. CUSIP NUMBER FOR SEC USE ONLY	3. DATE OF TRANSACTION *(Instr. 9)*	4. NATURE OF OPTION *(Instr. 15)*	5. AMOUNT OF SECURITIES SUBJECT TO OPTION *(Instr. 10)*	6. CHARACTER OF TRANSACTION, IF ANY, REPORTED *(Instr. 12)*	7. PURCHASE OR SALE PRICE OF SECURITIES SUBJECT TO OPTION *(Instr. 13)*	8. DATE OF EXPIRATION OF OPTION

Explanation of items in the tables:

U.S.Government Printing Office: 1972 — 457-406

August 5, 1974

C. Donald Challis

Note: If the space provided in either table is insufficient, use a continuation sheet which identifies the table and contains the information required.

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EXHIBIT 21

Form 4 of Catharine Gibson for September 1974

SECURITIES AND EXCHANGE COMMISSION • Washington, D. C. 20549

FORM 4 Statement of Changes in Beneficial Ownership of Securities

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935, or Section 30(f) of the Investment Company Act of 1940

1. NAME AND BUSINESS ADDRESS OF REPORTING PERSON	2. STATE OF INCORPORATION	3. IF AN AMENDMENT GIVE DATE OF STATEMENT AMENDED	4. NAME OF COMPANY
Gibson Catharine LAST FIRST MIDDLE 767 Fifth Avenue New York, New York 10022 (ZIP CODE)	New York	MONTH DAY YEAR	Wells, Rich, Greene, Inc.

5. IRS OR SS IDENTIFYING NUMBER OF REPORTING PERSON	6. STATEMENT FOR CALENDAR MONTH OF	7. DATE OF LAST PREVIOUS STATEMENT	8. RELATIONSHIPS OF REPORTING PERSON TO COMPANY (Instr. 4)
106 - 18. -8890	September 1974 MONTH YEAR	June 4 1973 MONTH DAY YEAR	Vice President

TABLE I. Securities Bought, Sold or Otherwise Acquired or Disposed of

Furnish the information required by the following table as to securities of the company bought or sold or otherwise acquired or disposed of by the reporting person during the month for which this statement is filed *(See Instruction 5)* and as to securities of the company beneficially owned, directly or indirectly, at the end of the month. However, transactions involving the acquisition or disposition of puts, calls, options or other rights or obligations to buy or sell securities of the company shall be reported in Table II.

1. TITLE OF SECURITIES (Instr. 8)	2. CUSIP NUMBER	3. DATE OF TRANSACTION (Instr. 9)	4. AMOUNT OF SECURITIES ACQUIRED OR DISPOSED OF (Instr. 10)	5. NATURE OF OWNERSHIP OF SECURITIES ACQUIRED OR DISPOSED OF (Instr. 11)		6. CHARACTER OF TRANSACTION REPORTED (Instr. 12)		7. PURCHASE OR SALE PRICE PER SHARE OR OTHER UNIT (Instr. 13)	8. AMOUNT OWNED AT END OF MONTH (Instr. 10)	9. NATURE OF OWNERSHIP OF SECURITIES OWNED AT END OF MONTH (Instr. 11)
Common Stock $1.00 par value	FOR SEC USE ONLY	September 5, 1974	1,000 shares	Direct		Open Market Purchase		$7.75	4,500 shares	Direct

(Continued)

TABLE II. Puts, Calls, Options and Other Rights or Obligations

If during the month for which this statement is filed the reporting person acquired or disposed of any put, call, option or other right or obligation (all hereinafter referred to as "options") to buy or sell, or be required to buy or sell, securities of the company, furnish the information required by the following table. *(See Instruction 5)* However, the acquisition or disposition of transferable warrants issued by the company which give the right to buy securities of the company are to be reported in Table I. Options exempted by Rule 16a-6 need not be reported.

1. TITLE OF SECURITIES SUBJECT TO OPTION *(Instr. 8)*	2. CUSIP NUMBER FOR SEC USE ONLY	3. DATE OF TRANSACTION *(Instr. 9)*	4. NATURE OF OPTION *(Instr. 15)*	5. AMOUNT OF SECURITIES SUBJECT TO OPTION *(Instr. 10)*	6. CHARACTER OF TRANSACTION, IF ANY, REPORTED *(Instr. 12)*	7. PURCHASE OR SALE PRICE OF SECURITIES SUBJECT TO OPTION *(Instr. 13)*	8. DATE OF EXPIRATION OF OPTION

*U.S. Government Printing Office: 1972 — 457-606 DS 9819

Explanation of items in the tables:

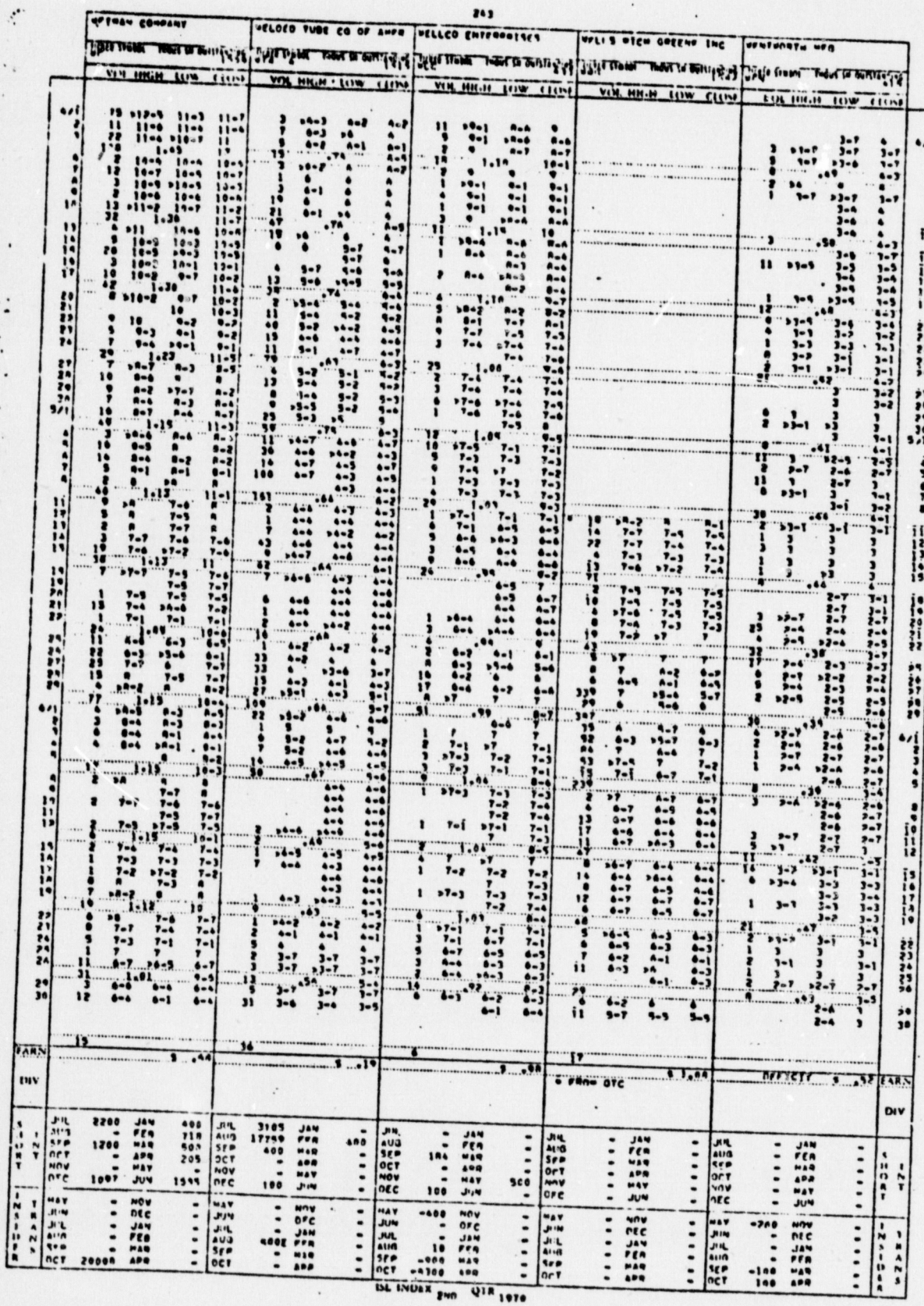
October 1, 1974
DATE OF STATEMENT

Catharine K. Gibson
Catharine Gibson
SIGNATURE OF REPORTING PERSON

NOTE: If the space provided in either table is insufficient, use a continuation sheet which identifies the table and column to which it relates.

EXHIBIT 22

ISL Indices Showing Daily Volume and Market Prices for the Common Stock of WRC



	STERAN COMPANY					WELDED TUBE CO OF AMER					KELLCO ENTERPRISES					WELLS RICH GREENE INC					WENTWORTH MFG				

	WELDED TUBE CO OF AMER				WELLCO ENTERPRISES				WELLS RICH GREENE INC				WENTWORTH MFG				WEST CHEMICAL PRODUCTS			
	Three Stocks	Index to Outstandings			Three Stocks	Index to Outstandings			Three Stocks	Index to Outstandings			Three Stocks	Index to Outstandings			Three Stocks	Index to Outstandings		
	WTA A	1515			WLC	411			WRG	1591			WEN	414			WCP	845		
	VOL	HIGH	LOW	CLOSE	VOL	HIGH	LOW	CLOSE	VOL	HIGH	LOW	CLOSE	VOL	HIGH	LOW	CLOSE	VOL	HIGH	LOW	CLOSE
10/1	100	4-2	4-2	4-2			8	6-6	6-7	172	11-5a	11-2	11-3	5a	3-4a	3-3	3-3			8 22-6	23	10/1
2	0	4-1a	4	4				6-6	6-7	165a	11-7	11-3	11-7	5	3-3	3-3	3-3			22-6	23	2
	16		.45	4-5				.80	7-1	317		1.49		10		.44	3-1			5.07	19-1	
4	17	4-2a	4-1	4-2	1	7	7	7		251	13-5	12-1	11-5			1-2	1-6			22-6	23	5
5	11	4-6	4-6	4-6	22	6-7	6-5	6-7		221a	14-2	13-2	13-2	9	1-2	1-2	1-2			22-6	23	6
7	110	4-5	4-6	4-5	8	6-7a	6-6	6-6		47	13-7	12-7	13-5	1	3-3	3-3	3-3	1a	22-6	22-6	22-6	7
8	38	4-3	4-2	4-2	4	6-7	6-6	6-7		85	11-6a	11-6	12-2	2	3-3	3-3	3-3	1	22-6	22-6	22-6	8
9	9	4-3	4-3	4-3	10a	7-2	6-7	7-2		48	12-7	12-2	12-2	4a	3-6	3-3	3-3			22-2	22-6	9
	85		.84	4-5	45		.80	7-2		706		1.57		16		.43	3-1			2.99	19-2	
12			4-2	4-3	4	7-3a	7-1	7-3		13	12-4a	12-1	12-6			3-3	3-6	2	22-2	22-2	22-2	12
13	110	4-3	4-2	4-3	2	7-3	7-3	7-3		93	13-5	12-6	13-3			3-3	3-6	1	22	22	22	13
14	1	4-2	4-2	4-2	8	7-3	7-3	7-3		54	13-6	13-1	13-4	1a	3-3	3-3	3-3			21-6	22	14
15	3	4-3	4-3	4-3	8a	7-4	7-4	7-4		98a	13-7	13-3	13-6	1	3-3	3-3	3-3			21-6	22	15
16	10	4-3a	4-1	4-1			7-2	7-5		20	13-6	13	13	2	3-2a	3-2	3-2			.22-5	22-7	16
	25		.96	4-6	22		.97	7-2		218		1.79		4		.41	3-1	5a	22-6	22	22-6	
19		0	4	4-2			7-2	7-6		94a	12-7a	12-2	12-5			3-2	3-3	7		2.84	19-3	
20	1a	4-1	4-1	4-1			7-2	7-6		93	12-7	12-3	12-6			3-2	3-6			22-2	22-6	19
21			4-1	4-1			7-2	7-6		38	12-7	12-4	12-6			3-2	3-6	1	22-3	22-3	22-3	20
22	5	4-1	4-1	4-1			7-2	7-6		17	12-3	12-2	12-2			3-3	3-6	1a	22-6	22-6	22-6	21
23	25	4-1	4-1	4-1	1	7-2a	7-1	7-1		28	12-4a	12-2	12-4			3-3	3-6			22-5	22-7	22
	32		.94	4-6	12a	7-6	7-2	7-2		236		1.61		15		.46	3-1			.22-5	22-7	23
26	1	4-1	4-1	4-1	1	7-1	7-1	7-1		19a	13-1	12-5	12-5	11a	3-4a	3-3	3-4	2		3.01	19-3	
27	8	4-2	4-1	4-1	2a	7-2	7-1	7-2		11	12-7	12-4	12-6	4	3-3	3-3	3-4	10a	22-5	22-6	22-6	24
28	8a	4-3	4-2	4-3	4	7-1a	7	7		23	13	12-6	13			3-3	3-6	3	22-4	22-6	22-6	27
29	20	4-1a	4	4-1	4	7	7	7		17	13	12-5	12-6	2	3-3	3-3	3-3			22-6	22-6	28
30			4	4-1	9	7-2	7	7		34	12-6a	12-3	12-6	7	3-4	3-3	3-4			22-2	22-6	29
	37		.54	4-3	16		.92	7-1		104		1.69		24		.44	3-1	10		3.01	19-4	30
11/2	4	4-1	4-1	4-1			7	7-2		19	12-5	12-5	12-6	2a	3-4	3-4	3-4	5	22-6a	22-2	22-2	11/2
3	11	4-2	4-2	4-2	3a	7	7	7		196	13	12-5	13	5	3-4	3-3	3-4			22-2	22-4	3
4	2	4-1a	4	4			6-6	7		193a	13-5	13	13-3			3-3	3-5	3	22-7	22-4	22-7	4
5	12a	4-3	4	4-3	4	6-6a	6-6	6-6		19	13-5	12-7	12-7	5	3-3a	3-2	3-2	4a	21-3	23-1	23-3	5
6	16	4-2	4-1	4-1	9	6-7	6-6	6-7		102	13-1a	11-6	11-7	2	3-2	3-2	3-2	4	23-1	22-5	22-5	6
	65		.56	4-3	20		.87	7		398		1.66		14		.42	3	16		3.02	19-5	
9			4	4-2	20a	7-3	7	7-3		94	12-2a	11-5	12	1	3-2a	3-2	3-2	2a	22-3	22-1	22-1	9
10	3a	4	4	4	8	7-3	7	7		19	12-2	12	12			3-2	3-3	1	22-1	22-1	22-1	10
11	1	4	4	4	3	7	6-7	6-7		34	12-4	12-1	12-3			3-2	3-9			21-7	22-3	11
12	1	4	4	4	3	6-6	6-5	6-5		21a	12-5	12	12	1a	3-3	3-3	3-3			21-7	22-3	12
13	20	4 0	3-7	3-7	3	6-3a	6-3	6-3		12	12	12	12			3-2	3-3	1	22	22	22	13
	25		.52	4-2	37		.86	7		124		1.56		2		.41	3	6		2.91	19-6	
16	190	4 0	3-6	4	230	6-2	6-1	6-1		27	12	11-6	11-6			3-2	3-3			0 21-6	22-1	16
17	6	3-7	3-6	3-6	40	5-7	5-6	5-6		93	11-5	10-6	10-6	1a	3-2	3-2	3-2	4	22-1	21-6	22-1	17
18	3	3-6	3-6	3-6	12	5-5	5	5		94	11	0 10-5	11	1	3-1a	3-1	3-1	1a	22-3	22-3	22-3	18
19	12	3-6	3-6	3-6	15	5 0	4-6	5		84a	12-2	10-7	12-2	5	3-1	3-1	3-1	1	22-1	22-1	22-1	19
20	2	3-6	3-6	3-6	25	6-1	5-2	6-1		33	12-2	12	12-1	1	3-1	3-1	3-1	1	21-7	21-7	21-7	20
	42		.49	4-2	115		.66	6-7		292		1.62		8		.41	3	7		2.92	19-6	
23	3	3-7a	3-7	3-7	9a	6-4	6-1	6-2		318	12-7	12-2	12-7	6a	3-2	3	3	2	22	22	22	23
24	6	3-7	3-7	3-7	4	6-1	6-1	6-1		14	12-5	12-2	12-3	1	2-7	2-7	2-7		0 21-7	22-2	22-2	24
25	4	3-7	3-7	3-7	3	6-2	6-1	6-2		24	12-1	11-7	11-7	1	2-4a	2-6	2-6			22	22-2	25
26		HOLIDAY				HOLIDAY					HOLIDAY				HOLIDAY				HOLIDAY			26
27	38	4	4	4		0	6	6-3		130	11-7a	11-2	11-7	5	2-6	2-6	2-6	2a	22-2	22-2	22-2	27
	16		.51	4-2	16		.82	6-7		199		1.53		13		.35	3	4		2.87	19-7	
30	38	4	4	4	4	6-3	6-1	6-1		48	12-2a	11-7	12-2			0 2-6	3			0 22-2	22-4	30
12/1	6	4 0	3-7	3-7	4	6-3	6	6		84	13-4	12-5	13-2			2-6	3	4	21	22-4	23	12/1
2	6	4	3-7	4	1	6-2	6-2	6-2		35	13-3	12-4	12-6	1	2-6	2-6	2-6	1	22-6	22-6	22-6	2
3	10	4	4	4	7	6 0	6-7	6		29	13-2	12-6	12-6	1a	2-7	2-7	2-7	11a	23-3	22-7	22-7	3
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	29		.49	4-2	66		.74	6-6		318		1.32		3		.35	3	20		2.92	20	
7	28	4 0	3-7	3-7	228	7-7	7-2	7-4		272a	15-6a	13-5	15-3	4a	2-7	2-7	2-7			22-5	23	7
8	9	4	3-7	4	11	7-1	7-1	7-3		74	15-3	14	14-5	1	2-7	2-7	2-7	7a	22-7	22-2	22-2	8
9	17	4	3-7	4	2	7-2	7-1	7-1		60	15	14-3	15	5	2-7	2-7	2-7			22	22-4	9
10	4	4	3-7	4	2	7-2	7	7-2		70	15-2	14-5	14-5	3	2-6a	2-6	2-6	2	22	22	22	10
11	1	3-7	3-7	3-7	4	7-1a	6-7	7-1		45	14-7	14-6	14-5	1	2-6	2-6	2-6		0 21-6	22	22	11
	33		.48	4-1	41		.88	6-6		521		1.28		14		.33	3	9		2.87	20-1	
14	11	4 0	3-7	4	5	7-2	7-1	7-1		32	14-6	13-7	13-7	1a	2-6	2-6	2-6	1a	21-6	21-6	21-6	14
15	21a	4-1	3-7	4-1	21	7-2	7	7-2		24	13-7	13-4	13-4	9	2-5a	2-4	2-4	21	21-4	21-4	21-4	15
16	46	4	3-7	3-7	9	7 0	6-6	6-6		55	14-6a	13-2	14-6	1	2-4	2-4	2-4	2	21-2a	21-2	21-2	16
17	7	4	3-7	3-7	4	7-2	7	7-2		70a	15-2	14-1	14-1	2	2-4	2-4	2-4			21-2	21--	17
18	1	3-7	3-7	3-7	12a	7-3	6-7	6-7		145	15	14	15	3	2-4	2-4	2-4	2	21-4	21-4	21-4	18
	84		.47	4-1	49		.88	6-7		326		1.71		14		.33	3	24		2.56	20-3	
21	21	4-1a	3-7	4	1	7	7	7		219	16	0 15-1	15-5	1	2-4a	2-4	2-4	1a	21-2	21-2	21-2	21
22	1	4	4	4	7	7-1a	6-6	7-1		319a	16-6	15-5	16-1	3a	2-5	2-5	2-5			21-2	21-4	22
23	11	4	4	4	13a	7-5	7-2	7-5		76	16-4	15-5	16			2-4	2-6	2	21	0 21	21	23
24	17a	4-2	4	4-1	5	7-4	7-3	7-4		121	16-6	16-2	16-4			2-4	2-6	1	21-2	21-2	21-2	24
25		HOLIDAY				HOLIDAY					HOLIDAY				HOLIDAY				HOLIDAY			25
	50		.49	4-1	24		.93	6-7		726		1.99		4		.33	3	6		2.56	20-4	
28	16	4-2	4-1	4-1	11	7-6a	7-3	7-5		132	16-7a	16-3	16-7	4	2-5	2-4	2-4			0 21-1	21-4	28
29	19	4-2	4-1	4-2	5	7-6	7-5	7-5		145a	17-3	16-6	17-3	22	2-3a	2-1	2-2	4	22	21-4	22	29
30	3	4-1a	4	4	14	7-7	7-4	7-6		149	17-3	17	17-2	14	2-4	2-2	2-4	2	22-2	22-2	22-2	30
31	24a	4-3	4	4-2	21a	8-2	7-7	8-2		115	17-3	17	17	15a	3	2-4	3	1a	22-4	22-4	22-4	31
EARN				.07				.66		.600			1.25				.90	1.000			1.81	EARN
DIV																		.250				DIV
	JAN	-	JUL	-	JAN	-	JUL	-		JAN	-	JUL	-	JAN	-	JUL	-	JAN	-	JUL	-	
	FEB	403	AUG	-	FEB	-	AUG	-		FEB	-	AUG	-	FEB	-	AUG	200	FEB	-	AUG	-	
	MAR	-	SEP	1998	MAR	-	SEP	-		MAR	-	SEP	-	MAR	-	SEP	-	MAR	-	SEP	-	
	APR	-	OCT	965	APR	-	OCT	600		APR	-	OCT	-	APR	-	OCT	1038	APR	-	OCT	-	
	MAY	-	NOV	310	MAY	900	NOV	-		MAY	-	NOV	1601	MAY	-	NOV	-	MAY	-	NOV	-	
	JUN	-	DEC	179	JUN	-	DEC	1200		JUN	-	DEC	1203	JUN	-	DEC	200	JUN	-	DEC	-	
	NOV	-	MAY	-	NOV	-	MAY	-		NOV	-	MAY	100	NOV	-	MAY	-	NOV	-	MAY	-	
	DEC	-	JUN	-	DEC	700	JUN	-		DEC	3900	JUN	-	DEC	-	JUN	-	DEC	-	JUN	-	
	JAN	100008	JUL	-	JAN	-	JUL	-		JAN	-	JUL	-	JAN	-	JUL	-	JAN	400	JUL	-	
	FEB	-	AUG	-	FEB	-	AUG	200		FEB	-	AUG	-	FEB	-	AUG	-	FEB	-	AUG	-	
	MAR	-	SEP	1900	MAR	-	SEP	-		MAR	-	SEP	-15000	MAR	-	SEP	-	MAR	900	SEP	-100	
	APR	500	OCT	-	APR	-	OCT	-		APR	-	OCT	-	APR	600	OCT	700	APR	-	OCT	-	

DE INDEX 4TH QTR 1970

	VELLCO ENTERPRISES				WELLS RICH GREENE INC				WENTWORTH NFJ				WEST CHEMICAL PRODUCTS				WEST TEXAS UTILITIES PP, 5.90[			
	Thous Shares Thous In Outstanding VLC 811				Thous Shares Thous In Outstanding WRG 1594				Thous Shares Thous In Outstanding WRB 613				Thous Shares Thous In Outstanding WCP 855				Thous Shares Thous In Outstanding WTU 0			40
	VOL	HIGH	LOW	CLOSE	VOL	HIGH	LOW	CLOSE	VOL	HIGH	LOW	CLOSE	VOL	HIGH	LOW	CLOSE	VOL	HIGH	LOW	CLOSE
1/1			HOLIDAY				HOLIDAY				HOLIDAY				HOLIDAY				HOLIDAY		1/1
		.91		6-7		2.92		10-2		.39		1		2.68		20-7		7.15		54-1	
4	4	8	4	7-6	62	17-2	14-7	17	4	3	3	3	4	24-2a	22-1	22-1	200	60-4	60-4	60-4	4
5	19m	8-2	8	8-2	44a	17-1	16-7	17-2	4	2-7	2-6	2-6	1	22-1	22-1	22-1	260a	61	59	61	5
6	2	8	8	8	81	17-2	17	17	14a	1-1	2-7	2-7	1a	22-5	22-5	22-5			61	62	6
7	1	8-2	8-2	8-2	106	16-7	15-7	16-1	2	1	1	1			22-6	22-7			61	62	7
8	5	8-1	8	8-1	48	16	15-1	15-7	11	2-6a	2-5	2-5			22-6	22-7			61	62	8
	31	.99		7	321	1.92		10-5	14	.35		1	6	2.71		21-1	460	7.20		54-6	
11	1	8-2a	8-1	8-2	47	15-7a	15-2	15-6	5	2-7a	2-6	2-7			22-1	22-7			61	62	11
12	7a	8-7	8-6	8-7	138	16-5	15-7	16-5			2-6	2-7			22-1	22-7			60	62	12
13	12	8-5	8-1	8-2	81a	17	16-6	16-6	1	2-7	2-7	2-7			22-8	23-7			61	62	13
14	5	8-6	8-6	8-6	13	16-7	16-6	16-6	9	3	2-7	1	20	23-2	21-7	21	50m	60	60	60	14
15	5	8-6	8-6	8-6	61	17	16-3	16-8	9a	3-2	3-1	3-2	8m	23-4	23-2	23-6			59	61	15
	12	1.00		7	350	1.99		10-7	18	.35		1	2a	2.77		23-2	50	7.11		54-6	
18	13	8-6a	8-6	8-6	94	17-6a	16-1	17-2	2	3-2a	3-1	3-2	5	24	23-7	24	20m	62	61	62	18
19	7	8-6	8-6	8-6	17	17-3	17	17	20	3-5	3-2	3-5	9	24-4	24-2	24-1			61	61	19
20	6a	8-6	8-6	8-6	90	17-5	17	17-2	7	3-7	3-5	3-7	1a	24-6	24-5	24-6			61	61	20
21	6	8-6	8-6	8-6	54	17-6	17	17-1			3-7	3	2	24-6	24-6	24-6			61	61	21
22	8	8-6	8-6	8-5	255a	19-6	17-3	19	2a	4	4	4	3	24-1	24-2	24-1			62	63	22
	16	.99		7	514	2.03		11-2	11	.66		3-1	20	2.86		21-6			62	61	
25	7	9-7a	8-6	8-7	111	19-1	18-6	18-7	1	4	4	4	5	24-6	24-1	24-6	20	7.37		57-1	
26	9	9	8-7	9	114	19-1	18-6	19-5	4a	4-2	4-1	4-2			24-3	24-5	110	63	62-4	62-6	25
27	10a	9-2	9	9-2	70	19	18-2	19-6	1	4-1	4-1	4-1	1	24-2a	24-2	24-2			63	63-6	26
28	1	9-2	9-2	9-2	188	19-6	18-6	19-6	5	4-1	4	4	2	24-6	24-4	24-6	100a	63-2	63-2	63-2	27
29	3	9-2	9-2	9-2	173a	21-1	19-5	20-4	2	3-7a	3-6	3-6	29a	24-7	24-6	24-7			63	64-2	28
	30	1.06		7-1	456	2.28		11-6	11	.66		3-1	37	2.81		21-6			63	63-6	29
2/1	570	9-1a	8	8-6	245	21-2	19-5	20			3-4	3-7	20m	26-6	23-6	24-1	210	7.02		57-6	
2	46	9	8-5	9	98	20-6a	19-6	19-6	4	4	3-6	4	16	26-1a	27	27	10	63	63	63	2/1
3	19	9-3	9	9-3	115	21-1	19-6	21-1	6a	4-1	4	4-1	13	27-6	27-2	27-2	100m	63-6	63-6	63-6	3
4	22	9-3	9-2	9-3	84a	21-3	20-6	20-6	5	4-1	4-1	4-1	8	27-2	27	27	10	63-2	63-2	63-2	4
5	39a	9-4	9-3	9-6	23	20-5	19-7	19-7	2	3-7	3-7	3-7	1	27	27	27			63	63-6	5
	131	1.07		7-2	570	2.34		12-2	23	.67		3-1	58	3.04		22	120	7.23		57-6	
8	8a	9-6	9-6	9-6	26	20-5a	20	20-5	11a	4	3-7	3-7	x	26-6	27-2	27-2		63-2	61-6	61-6	8
9	25	9-6	8-7	8-7	62	21	20-5	20-6	2	3-7	3-7	3-7		26-6	27-7	27-7		63-2	63-6	63-6	9
10	5	8-7a	8-6	8-6	86	21-5	20-5	21-3			3-6	4		26-6	27-2	27-2		63-2	63-6	63-6	10
11	8	9	9-7	8-7	162	23-6	22	23-3	3	3-6	3-6	3-6		26-6	27-2	27-2		63-2	63-6	63-6	11
12	2	9	9	9	142a	24-7	23-6	23-6	11	3-5a	3-6	3-6		26-6	27-2	27-2		63-2	63-6	63-6	12
	68	1.00		7-3	699	2.68		12-6	27	.62		3-1		1.07		22-3		7.20		58-1	
15		HOLIDAY				HOLIDAY				HOLIDAY				HOLIDAY				HOLIDAY			15
16	19	9-2	9	9-1	79a	24-7	23-7	24	29	4-2a	3-6	4-2	3a	26-7	26-5	26-5		63-2	62	62-2	16
17	22a	9-3	9	9	113	23-6	22-6	23-4	24	4-4	4-1	4-2			26-3	26-7	20m	63-2	63-2	63-2	17
18	3	8-7a	8-6	8-7	93	23-1a	21-5	22-1	98a	5-4	4-3	5-4	3	26-3a	26	26		62	62-6	63-6	18
19	13	9-2	9	9-2	52	22-2	21-5	22	58	5-4	5	5-2	2	26	26	26		62-2	62-6	62-6	19
	50	1.00		7-1	337	2.49		11-2	209	.62		3-2	8	2.93		22-6	20	7.20		58-1	
22	15	9-3a	9-1	9-2	37	22-2a	21-6	22-2	44a	5-1	4-7	5	6a	25-6a	25-6	25-6		62-2	63-6	63-6	22
23	29	9-7	9-3	9-7	74	22-5	22-1	22-5	30	5-1	4-7	4-7			25-6	25-7		62-2	63-6	63-6	23
24	12	10	9-7	10	64	23-1	22-6	23	15	5	4-6	4-6			25-6	26		62-2	63-6	63-6	24
25	99a	11-3	10-2	11	107a	24	23-1	23-5	8	5	4-7	5	4	25-6	25-6	25-6		62-2	63-6	63-6	25
26	10	11	10-7	11	52	24	23-3	24			4-7	5			25-6	26		62-2	63-6	63-6	26
	366	1.24		7-5	334	2.67		13-7	97	.56		3-2	10	2.91		22-6		7.22		58-6	
3/1	11	11	8	10-6	101	23-4a	23	23-2	1a	4-7	4-7	4-7	2	26	26	26		62-2	64-2	64-2	3/1
2	10	11	11	11	91	23-4	23-1	23-2	22	4-7a	4-5	4-6	7	26-3	26	26	80a	62-4	62-2	62-2	2
3	13	11-2	10-7	11-2	67	23-6	23-2	23-4	5	4-7	4-7	4-7	1	26-2	26-2	26-2			61-2	63-2	3
4	12a	11-4	11-1	11-2	61a	24-1	23-3	24-1	5	4-6	4-5	4-6	7	27	26-6	27			62-2	63-2	4
5	26	11-4	11-1	11-1	39	24-1	23-6	23-6	16	4m6	4-5	4-5	1a	27-2	27-2	27-2			61-2	63-2	5
	79	1.29		7-6	339	2.73		14-6	99	.53		3-	18	3.02		23-1	90	7.09		59	
8	12a	11-2	11	11	38a	24-2	23-7	23-7	12	4-5a	4-4	4-5		27		27-1	x	61	62-1		8
9	14	11	10-7	10-7	29	23-7	23-4	23-4	3a	4-7	4-6	4-7	1a	27-1	27-1	27-1		61	62		9
10	11	11	10-7	10-7	16	23-5	23-3	23-3			4-6	5	1	27-1	27-1	27-1		61	61		10
11	3	10-7	10-7	10-7	80	23-6a	23-2	23-2			4-6	5			27	27-2		61	62		11
12	10	11	11	11	27	23-5	23-2	23-5			4-6	5	1	26-7a	26-7	26-7	10a	61	61		12
	59	1.20		7-7	150	2.58		15	15	.55		3-3	3	3.04		23-3	10	6.99		59-1	
15	7a	11-2	11	11	34	24-3a	23-5	24-1	8a	4-7	4-6	4-6	5	27-5a	26-6	27-5	20	61-4a	61-6	61-6	15
16	17	11	10-7	11	78	24-2	23-6	23-6			4-5	4-6	23a	29-2	28	29	60a	62-6	61-6	61-6	16
17	25	11-2	10-7	11-2	127	25-5	23-5	25-5	16	4-5a	4-2	4-4	2	29	29-6	29-4	200	62	62	62	17
18	3	11-1	11-1	11-1	358a	25-7	24-7	25	3	4-3	4-3	4-3	5	29-1	28-6	28-6			62	63	18
19	17	11-2	11-1	11-2	61	25	24-6	24-5	5	4-2	4-2	4-2			28-6	29			62	63	19
	82	1.23		8	660	2.72		15-6	32	.47		3-4	35	3.13		23-5	280	6.97		59-3	
22	21a	11-4	11-2	11-4	16a	24-4	23-6	23-6	3	4-2	4-2	4-2	1a	28-6	28-4	28-4		62	61		22
23	21	11-4	11-2	11-2	53	23-7a	23-2	23-5	2a	4-3	4-2	4-3	11	28-3a	27-2	27-2		62	63		23
24	2	11-2	11-2	11-2	89	24	23-4	23-6	17	4-2a	4-1	4-1	13	28-2	27-2	28-2		62	63		24
25	7	11-3	11-2	11-2	77	23-7	23-2	23-7	1	4-1	4-1	4-1			28	28-2		62	63		25
26	6	11-2a	11-1	11-1	132	24-1	23-5	23-6	3	4-2	4-1	4-2	1	28-4	28-4	28-4	340a	62	62	62	26
	57	1.24		8-1	327	2.65		16-2	26	.83		3-4	26	3.13		24	340	6.99		59-4	
29	83	11-2a	11-1	11-1	129	22-7a	21-3	22-2	2a	4-2	4-2	4-2			29-2	29-4		61-4	61		29
30	35a	11-5	11-2	11-2	78	22-6	21-6	22-3	3	4-2a	4-1	4-1	4	29-6	28-4	29-6		61-6	61		30
31	2	11-1	11-1	11-1	116a	24	22-1	24	3	4-1	4-1	4-1	19a	30-7	29	30-7		62	63		31
EARN				.51	.600			1.52			DEFICITS	.95	1.000			1.97	2.900				EARN
DIV					.150								.250				1.100				DIV
	APR	-	OCT	600	APR	-	OCT	-	APR	-	OCT	-	APR	-	OCT	1838	APR	-	OCT	-	
	MAY	590	NOV	-	MAY	-	NOV	1601	MAY	-	NOV	-	MAY	-	NOV	-	MAY	-	NOV	-	
	JUN	-	DEC	1200	JUN	-	DEC	1201	JUN	-	DEC	200	JUN	-	DEC	-	JUN	-	DEC	-	
	JUL	-	JAN	-	JUL	-	JAN	1801	JUL	-	JAN	-	JUL	-	JAN	-	JUL	-	JAN	-	
	AUG	-	FEB	4500	AUG	-	FEB	810	AUG	200	FEB	-	AUG	-	FEB	869	AUG	-	FEB	-	
	SEP	-	MAR	-	SEP	-	MAR	-	SEP	-	MAR	-	SEP	-	MAR	-	SEP	-	MAR	-	
	FEB	-	AUG	200	FEB	-	AUG	-	FEB	-	AUG	-	FEB	-	AUG	-	FEB	-	AUG	-	
	MAR	-	SEP	-	MAR	-	SEP	-15000	MAR	-	SEP	-	MAR	500	SEP	-100	MAR	-	SEP	-	
	APR	-	OCT	-	APR	-	OCT	-	APR	400	OCT	700	APR	-	OCT	-	APR	-	OCT	-	
	MAY	-	NOV	-	MAY	100	NOV	-10000	MAY	-	NOV	-100	MAY	-	NOV	100	MAY	-	NOV	-	
	JUN	-	DEC	-	JUN	-	DEC	-	JUN	-	DEC	-	JUN	-	DEC	-	JUN	-	DEC	-	
	JUL	-	JAN	-	JUL	-	JAN	-	JUL	-	JAN	-	JUL	-	JAN	-	JUL	-	JAN	-	

	WEEKLY COMPANY				WELDED TUBE CO OF AM32				FELLCO ENTERPRISES				FELLS RICH GREEN INC				FENTWORTH MFG			
	Stock Symbol	Total $ Outstanding			Stock Symbol	Total $ Outstanding			Stock Symbol	Total $ Outstanding			Stock Symbol	Total $ Outstanding			Stock Symbol	Total $ Outstanding		
	WC	3017			WTA A	1339			WLC	933			WRG	1575			WFR	519		
	VOL	HIGH	LOW	CLOSE	VOL	HIGH	LOW	CLOSE	VOL	HIGH	LOW	CLOSE	VOL	HIGH	LOW	CLOSE	VOL	HIGH	LOW	CLOSE
6/1		8a	9-4	9-3	9-3	43a	8	7-6	7-6		8a	11-1	11-1	11-1							6/1
2		12	9-4a	9	9-4	23	7-7a	7-5	7-5	25	11	a 11	11		427a	24-1	23-6	23-7					2
		21		1.03	7-5	66		.83	5-1	33		1.23	8-1		869		2.64	16-6		10a	6-9	6-9	6-9	
5		7	9-3	9	9-2	8	7-7a	7-6	7-5	7	11	a 10-7	11		34a	23	22-3	22-3		10		.97	7-5	
6		3a	9-3	9-1	9-1	12	7-6	7-6	7-5	6	10-7	10-7	10-7		22	22-6	22-2	22-2		25a	8-7	8-6	8-7	5
7		3	9-2	9-1	9-1	29	7-7	7-5	7-7	9a	11-2	10-7	10-7		28	22-3	21-1	21-6		3	8-7	8-7	8-7	6
8		12	9	a 8-6	8-7	121a	8-2	7-6	7-7	6	11	10-7	11		41	21-5a	21	21		11	8-7	8-5	8-5	7
9			HOLIDAY				HOLIDAY				HOLIDAY					HOLIDAY				17	8-9a	8-2	8-2	8
		25		.96	7-5	170		.85	5-2	28		1.19	8-2		193		2.28	16-2		34		.96	3-5	9
12		7	8-7	8-5	8-6	7a	7-7	7-5	7-6	9	10-7a	10-7	10-7		96	21-5a	20-7	21-2		1	8-2a	8-2	8-2	12
13		10a	9	8-6	8-6	6	7-7	7-5	7-5	13	11	10-7	10-7		85a	22-4	21-3	22-2		1	8-2	8-2	8-2	13
14		15	8-6	8-5	8-5	30	7-6	7-2	7-2	69	11-7	10-7	11-7		29	22-4	22	22-3		3a	8-6	8-3	8-6	14
15		9	8-7	8-6	8-6	12	7-3	7-1	7-2	61a	12-6	12	12		37	22-3	21-6	21-7		1	8-6	8-6	8-6	15
		30		.93	7-6	35	7-8a	7	7	30	12-6	12-1	12-3		21	22-1	21-7	22				8-3	8-6	16
19		2a	8-5	8-5	8-5	90		.77	5-2	102		1.27	8-6		263		2.33	17-1		6		.97	3-5	
20		13	8-5	8-2	8-2	9	7-2	7-2	7-2	7a	12-5	12-3	12-3		51a	22-6	21-6	21-6		2a	8-3	8-2	8-2	19
21		16	8-1	8	8-1	20a	7-6	7-2	7-6	11	12-2	12-1	12-1		183	21-7	21-6	21-6		8	8-1a	8	8	20
22		8	8	a 7-7	8	7	7-2	7-2	7-2	13	12-1a	11-6	11-6		57	21-7	21-6	21-6		5	8	8	8	21
23		5	8-1	8	8	19	7-2a	6-7	6-7	2	12	12	12		620	21-6	20-6	20-5		4	8-2	8-1	8-2	22
		82		.85	7-6	13	7-1	7	7-1	3	12	11-6	11-6		701	21-1a	19-3	21-1		4	8-3	8-3	8-3	23
26		7	8-1	8	8-1	66		.73	5-3	34		1.27	8-5		1572		2.19	17-6		23		.93	3-6	
27		1	8-1	8-1	8-1	22	7-2	7	7	3a	11-7	11-7	11-7		242a	22-1	21-4	21-4				8-2	8-6	26
28		10a	8-2	8-1	8-1	21a	7-3	6-7	7-1	9	11-7a	11-6	11-6		48	21-4	20-5	20-5		1	8-2	8-2	8-2	27
29		17	8-2a	7-6	7-6	17	7-1	6-7	6-7	5	11-7	11-5	11-5		75	21	19-7	19-7		10a	8-3	8-1	8-1	28
30		2	7-2	7-6	7-6	20	6-7a	6-5	6-6	2	11-6	11-6	11-6		94	20-6a	19-2	19-3		11	8-1a	8	8	29
		82		.81	7-6	2	6-6	6-5	6-5	14	11-6	11-6	11-6		50	20-3	19-3	20-2				8	8-2	30
5/3		24	7-5a	7-2	7-6	87		.71	5-4	33		1.21	8-6		509		2.09	18-1		22		.92	3-6	
4		15	7-6	7-6	7-6	15	6-6a	6-5	6-6	6	11-5	11-6	11-5		109	20-3a	19-6	20-3		1	8	a 8	8	
5		7a	7-6	7-6	7-6	9a	6-7	6-6	6-6	10a	11-6	11-6	11-6		35	20-2	19-7	20-1	5/3	9	8	8	8	
6		2	7-6	7-5	7-6	5	6-6	6-5	6-5	5	11-6	11-1	11-1		118a	21-1	20-3	20-5	4	3a	8-1	8-1	8-1	5
7		12	7-6	7-3	7-6	1	6-5	6-5	6-5	5	11	11	11		52	20-7	19-6	19-7	5	3	8	8	8	6
		60		.82	7-6	3	6-6	6-5	6-6	8	11	a 10-6	11		72	20-3	19-5	20-1	6			8	8-1	7
10		2	7-3a	7-3	7-3	33		.70	5-4	34		1.17	8-7		306		2.12	18-2	7	16		.92	3-6	
11		6	7-5	7-3	7-5	4	6-6a	6-5	6-5			10-6	11-1		29	20	a 19-6	19-7	8			a 8	8-1	8
12		2	7-6	7-6	7-6	4	6-5	6-5	6-5	25	11-2a	10-6	10-5		51a	20-6	19-7	20-1	9	8	8-1	8-1	8-1	10
13		4a	7-7	7-7	7-7	10	6-7	6-5	6-6	10	11-1	10-7	11-1		32	20-6	20	20	10	18	8-2	8-1	8-1	11
14		18	7-7	7-6	7-6	28	7-3	6-7	7-3	9a	11-3	10-7	11-1		85	20-2	19-7	20-2	11				8-2	12
		36		.81	7-6	7a	7-6	7	7	2	11	11	11		29	20-6	20	20	12	57a	5	8	8-2	13
17		5	7-6	7-4	7-6	30		.70	5-3	44		1.18	8-7		226		2.16	18-5	13	75		.95	3-6	
18		6a	8	7-7	7-7	9	7	6-5	6-5	6	11	10-7	10-7		34a	19-6	19-5	19-5		12	8-7	8-5	8-6	
19		6	7-7	7-6	7-7	10	6-5	6-5	6-5	6	10-6a	10-6	10-6		354	18-7a	17-5	17-5	14	7	8-6a	8-6	8-6	17
20		7	7-6	7-5	7-5	20	6-5	6-2	6-2	7	11	10-7	10-7		76	18-3	17-5	18-1	15	17	8-7	8-6	8-6	18
21		11	7-6a	7-5	7-6	8	6-6a	6-1	6-6	6a	11-1	11	11		193	18-6	18	18	16	4	8-7	8-7	8-7	19
		82		.82	7-6	23a	7-1	6-3	6-7			10-7	11-3		79	19-2	18-1	19-1	17	67a	8-2	8	8-1	20
24		2	7-3a	7-2	7-3	80		.70	5-4	33		1.19	8-7		738		2.04	18-6	18	83		.92	3-7	
25		1	7-3	7-3	7-3	3a	7	6-5	6-6	2a	10-6	10-6	10-6		96a	20-6	20	20-2	19	83	8-7a	8-1	8-4	21
26		3	7-5	7-4	7-5	24	6-7a	6-5	6-6	1	10-5	10-5	10-5		103	20-6	20	20-1		27a	8	8-5	8-5	24
27		8a	7-6	7-4	7-6	2	6-7	6-7	6-7			10-4	10-7		56	20-3a	19-5	19-5		16	8-4	8-2	8-2	25
28		7	7-6	7-4	7-6			6-6	7			10-4	10-7		29	20-1	19-5	20		6	8-3	8-2	8-3	26
		24		.83	7-6	3	6-6	6-5	6-5	9	10-3a	10-2	10-2		39	20-6	20-2	20-6		2	8-1	8-1	8-1	27
31			HOLIDAY			37		.71	5-4	12		1.20	8-2		156		2.20	18		134		.97	3-7	28
6/1		8a	7-6	7-6	7-6		HOLIDAY				HOLIDAY					HOLIDAY					HOLIDAY			31
2		3	7-6	7-3	7-3	4a	6-5	6-5	6-6	1	10-2a	10-2	10-2		73	21-1a	20-5	20-6		1a	8-1	8-1	8-1	6/1
3		8	7-6a	7-2	7-6	1	6-5	6-5	6-5	6	10-4	10-2	10-4		52	21	20-5	20-5		8	8-1a	8-7	5	2
4		8	7-6	7-7	7-7	12	6-5a	6-4	6-5	2a	10-6	10-4	10-6		113	21-6	20-7	21-6		2	8-1	8-1	8-1	3
		37		.81	7-7	18		.71	5-7	3	10-6	10-5	10-5		70a	22	21-2	21-3		2	8	8		4
7		44a	7-6	6-7	7	13a	6-6	6-6	6-6	12		10-6	9-3		304		2.33	19-2		17		.95	4	
8				6-7	7-1	21	6-6a	6-3	6-3	7a	10-6	10-4	10-4		182a	22-2	21-5	21-6				8-7	5	
9		9	6-7a	6-5	6-5	5	6-3	6-3	6-3			10-4	10-6		29	21-7	21-4	21-7		2	8-7	8-7	8-7	7
10		4	6-7	6-7	6-7	3	6-7	6-4	6-4	10	10-4	10-1	10-1		85	21-6	20-6	20-6			8-7a	8-6	8-6	9
11		3	7	6-7	6-7	3	6-3	6-3	6-3	5	10-2a	10	10-2		39	21-2a	20-5	20-5			8-7	8-6	8-7	10
		60		.77	7-7	3	6-3	6-3	6-3	5	10-3	10-1	10-3		22	21	20-9	20-7			8	8-7	5	11
14		5	7-3a	7	7-3	65		.70	5-6	37		1.11	9-6		307		2.25	19-5				.93	4	
15		6a	7-5	7-4	7-4			6-3	6-6	5a	10-1	10	10		14a	20-7	20-5	20-6		19a	8-4	8-7	5	
16		5	7-5	7-3	7-3	4a	6-3	6-3	6-3			9-7	10-2		28	20-6	20	20		1	5	5	5	14
17		14	7-3	7-1	7-2	25	6-3a	6-1	6-1	6	10-1	9-7	10-1		131	20-4	19-6	20-2		8	5	8-7	8-7	15
18		1	7-2	7-2	7-2	8	6-2	6-1	6-2	6	10	9-7	10		23	20-4	19-6	19-6		7	8-6	8-5	8-6	16
		31		.80	7-7	13	6-1	6-1	6-1	3	10	10	10		376	19-7a	18-6	18-6		3	8-5a	8-4	8-4	17
21		1a	7-1	7-1	7-1	46		.68	5-6	12		1.10	9-5		548		2.17	19-7		36		.92	4-1	18
22		5	7	6-7	6-7	6	6	6	6			9-7	10		65	19	18	18		2a	8-6	8-6	8-6	
23		2	6-7	6-7	6-7	7a	6-1	6	6	1a	9-7	9-7	9-7		84	19-5a	17-6	17-6		10	8-6	8-6	8-6	21
24		6	7	6-7	6-7	6	6-1	6	6-1	8	9-7	9-5	9-5		13	18-6	18	18-6		2	8-3	8-3	8-3	22
25		7	7	a 6-6	6-6	7	6	6	6	2	9-5a	9-6	9-6		36	19	18-6	19			a	8-2	8-6	23
		19		.78	7-7	83	6-1a	5-7	6-1	5	9-6	9-6	9-6		92a	19-2	18-7	19		3	8-2	8-2	8-2	24
28		7	7	a 6-6	6-7	7	6-7a	6	6	17		1.08	9-7		398		2.16	20		17		.91	4-1	25
29		16	7-3	7	7-3	5a	6-2	6-1	6-1	2	9-6a	9-5	9-5		17a	19-7	18-6	19		2	8-3a	8-3	8-3	28
30		6a	7-4	7-3	7-3	4	6-2	6-2	6-2			9-6	9-7		43	19-1	18-7	18-7		2	8-3	8-3	8-3	29
						5a	10	9-7	10						253	19-1a	18	18-3		18a	8-6	8-4	8-5	30
EARN			$ .63				DEFICIT$ .37				$ .32				.600		$ 1.33				DEFICIT$ .60			EARN
															.150									
DIV																								DIV
S	JUL	300	JAN	-	JUL	-	JAN	800	JUL	-	JAN	-	JUL	-	JAN	1801	JUL	-	JAN	-				
U	AUG	-	FEB	322	AUG	-	FEB	-	AUG	-	FEB	8500	AUG	-	FEB	910	AUG	200	FEB	-				
N	SEP	300	MAR	-	SEP	1998	MAR	-	SEP	-	MAR	-	SEP	-	MAR	1750	SEP	-	MAR	-				
I	OCT	-	APR	-	OCT	965	APR	300	OCT	600	APR	-	OCT	-	APR	1465	OCT	-	APR	603				
N	NOV	-	MAY	-	NOV	310	MAY	300	NOV	-	MAY	103	NOV	1601	MAY	1360	NOV	-	MAY	-				
T	DEC	-	JUN	-	DEC	179	JUN	-	DEC	1200	JUN	-	DEC	1201	JUN	-	DEC	200	JUN	-				
I	MAY	-	NOV	-	MAY	-	NOV	700	MAY	-	NOV	-	MAY	100	NOV	-18000	MAY	-	NOV	-100				
N	JUN	-	DEC	-	JUN	-	DEC	-	JUN	-	DEC	-	JUN	-	DEC	-	JUN	-	DEC	-				
T	JUL	-	JAN	-	JUL	-	JAN	-	JUL	-	JAN	-	JUL	-	JAN	-	JUL	-	JAN	-				
E	AUG	-	FEB	1800	AUG	-	FEB	-	AUG	200	FEB	-	AUG	-	FEB	-	AUG	-	FEB	-				
R	SEP	-	MAR	-	SEP	1900	MAR	-	SEP	-	MAR	-	SEP	-15000	MAR	-	SEP	-	MAR	-500				
E	OCT	-	APR	-	OCT	-	APR	-	OCT	-	APR	-	OCT	-	APR	-	OCT	700	APR	-				

DIL ENDS 2ND QTR 1971

	WEIRAD COMPANY				WELDED TUBE CO OF AM				WELDED TUBE CO OF AMER				WELLCO ENTERPRISES				WELLS RICH GREENE INC				
	Issued Shares Shares to Outstanding				RIGHTS Issued Shares Shares to Outstanding				Issued Shares Shares to Outstanding				Issued Shares Shares to Outstanding				Issued Shares Shares to Outstanding				
	WC 2157				WTA 1515				WTA				WLC 611				WRG 1731				
	VOL	HIGH	LOW	CLOSE	VOL	HIGH	LOW	CLOSE	VOL	HIGH	LOW	CLOSE	VOL	HIGH	LOW	CLOSE	VOL	HIGH	LOW	CLOSE	
7/1	4a	7-4a	7-2	7-3					7a	6-2	6-2	6-2	2a	10-2	10	10	72a	18-4a	18-3	18-4	7/1
2			7-	7-3					3	6-1a	6-1	6-1			a	9-7	20	19-6	18-3	18-3	2
	5		.82	0					10		.49	6-2	2		1.11	10	92		2.09	22-1	
5		HOLIDAY				HOLIDAY				HOLIDAY				HOLIDAY				HOLIDAY			5
6	1a	7-2	7-2	7-2	112	=3	=	=1	2a	6-2	6-2	6-2	5	10-2a	9-7	9-7	192	19-7a	19-3	18-7	6
7	3	7-2	7-2	7-2	90	-1a	-	-1	1	6-1	6-1	6-1	2	10-1	10	10-1	262	20	18-7	20	7
8	3	7-2	7-1	7-1	68	-1	-	-	11	6	a	5-5	5-6			10	98	21	20	20-6	8
9	14	7-1a	7	7-1	30	-	-	-	24	5-6	5-6	5-6	2a	10-1	10-1	10-1	1Ha	21-1	20-7	21	9
	23		.72	0	292				29		.62	6-2	9		1.15	10-1	570		2.10	23-1	
12	6	7-2a	7	7-2	54a	-	-	-	42	5-6a	5-6	5-6	1a	10-2	10-2	10-2	34a	21	20-1	20-6	12
13	1	7-2	7-2	7-2	150	-	-	-	16	5-7	5-6	5-7	2	10	10	10	62	20-1	19-5	20-1	13
14	3	7-4	7-3	7-4	140	-	-	-	21a	6	5-6	6	8	10	10	10	27	20	a 14	20	14
15	21a	8	7-3	8	128	-	-	-	2	6	6	6	4	10	9-5	9-5	19	20	19-2	19-5	15
16	5	8	7-7	7-7	124	-	-	-	1	6	5-6	5-6	8	9-5a	9-1	9-1	15	20-1	19-2	19-7	16
	54		.40	0	831				10a		.67	6-1	35		1.08	10-2	157		2.40	22-6	
19	3	7-6	7-4	7-4	356a	-	a	-	22	5-6a	5-6	5-6	1a	9-6a	9-4	9-4	20	19-4a	19-1	19-2	19
20	1	7-5a	7-5	7-5	•				15	5-6	5-6	5-6	13	9-4	9-4	9-4	11	19-4	19-1	19-4	20
21	4	7-5	7-5	7-5					25	5-7	5-6	5-7	3	9-4	9-4	9-4	54	20	19-5	20	21
22	10a	8	7-6	7-7					11a	6	5-7	6			9-4	9-4	29	20-2	19-5	20-2	22
23	2	7-6	7-6	7-6							5-6	5-7	1	9-4	9-4	9-4	78a	21-1	20-4	21-1	23
	39		.48	0-1	150				9a		.67	6-1	10		1.09	10-2	192		2.24	23-6	
26	4a	7-6	7-4	7-4					6a	5-7a	5-6	5-7				9-2	9-5	144a	22	21-2	21-5	26
27	2	7-5	7-4	7-5					125	5-6	5-6	5-6	3a	9-2a	9-1	9-1	55	21-7	20-5	20-5	27
28	8	7-6	7-5	7-5					9	5-6	5-6	5-6			9-1	9-1	54	20-3	19-6	19-7	28
29	20	7-5a	6-7	6-7					10	5-7	5-6	5-6	1	9-1	9-1	9-1	60	20	19-3	19-3	29
30	6	7	6-7	7							5-6	6	1	9-1	9-1	9-1	125	19-6a	18-6	18-6	30
	38		.79	0-2					150		.46	6-6	5		1.05	10-3	628		2.26	20-7	
8/2			6-7	7-1					23a	5-6	5-5	5-6	4a	9	8-7	9	200a	19-6	18-6	19-2	8/2
3		a	6-3	7-1					17	5-6	5-6	5-6	2	8-6	8-5	8-5	120	19-2	17-7	17-7	3
4	6a	6-7	6-6	6-7					16	5-5	5-6	5-5	3	8-6	8-2	8-6	71	18-6a	17-2	17-6	4
5	11	6-6	6-6	6-6							5-6	5-5	26	8-6a	7-6	8	10	17-7	17-5	17-5	5
6			6-6	6-5					7	5-5a	5-3	5-3	1	8	8	8	21	18	17-7	18	6
	17		.76	0-2					61		.46	6-6	34		.94	10-3	822		2.09	20-7	
9	5	6-3	6-2	6-2					23a	5-4	5-3	5-4		1a	8	a	8	10	18-2a	17-7	17-7	9
10	1	6-1	6-1	6-1					23	5-4a	5-1	5-1				8	8-2	18	18-1	17-7	18	10
11	14	6-1a	6	6-1					1	5-1	5-1	5-1				8	8-2	23	18-7	18-1	18-7	11
12	7a	6-5	6-2	6-5					3	5-1	5-1	5-1				8	8-2	46a	20-2	19-2	19-5	12
13	6	6-3	6-3	6-3							5-1	5-2	1	8	8	8	20	20-1	19-7	20	13
	35		.77	0-1					58		.59	6-6	2		.44	10-3	122		2.26	21	
16	23a	7	a 6-4	6-7					14	5-5a	5-3	5-4	20a	9-1a	8-3	9	161a	21-7a	20-7	21-5	16
17	8	7	6-6	7					8	5-4	5-4	5-4	5	9	8-7	8-7	•				17
18	2	6-7	6-6	6-6					31a	5-7	5-5	5-5	8	8-6	8-6	8-6					18
19	1	6-7	6-7	6-7					2	5-4	5-4	5-4	1	8-6	8-6	8-6					19
20	2	6-7	6-7	6-7					1	5-4	5-4	5-4	7	9-1	8-6	9-1					20
	32		.78	0-1					54		.62	6-4	37		.99	10-3	161				
23	16a	6-7	6-4	6-5					3	5-5a	5-4	5-4	4	9	9	9					23
24	4	6-6	6-6	6-6					26a	6-1	5-5	5-5			9	9-2					24
25	5	6-6	6-3	6-1					8	6	5-6	5-7	1a	9-1	9-1	9-1					25
26			6-3	6-4					5	5-6	5-5	5-5	10	9	a 8-6	8-7					26
27	6	6-2a	6-1	6-2					2	5-7	5-7	5-7			8-6	9-1					27
	31		.71	0-1					84		.62	6-3	15		.97	10-3					
30	3	6-7a	5-7	5-7					16	5-6a	5-6	5-6	3	9	9	9					30
31	4	6-1	6	6-1							5-6	6	2	9	9	9					31
9/1	7a	6-4	6-2	6-4							5-6	6			a 8-6	9					9/1
2	14	6-3	6-1	6-3					8	5-6	5-6	5-6	8	9-1	9	9					2
3			6-2	6-4					2	5-6	5-6	5-6	1a	9-2	9-2	9-2					3
	28		.70	0-1					11		.67	6-3	18		.99	10-3					
6	HOLIDAY				HOLIDAY				HOLIDAY				HOLIDAY				HOLIDAY				6
7	3	6-5	6-4	6-5					1	5-6a	5-6	5-6	3	9-2a	9-1	9-1					7
8	10	6-3a	6-2	6-2					102a	6-6	6	6-5	14	9-3	9-1	9-5					8
9	19a	6-6	6-2	6-6					1	6-5	6-5	6-5	5	9-5	9-3	9-5					9
10	1	6-6	6-6	6-6					2	6-5	6-5	6-5	8a	9-7	9-5	9-7					10
	33		.73	0					106		.72	6-6	37		1.05	10-3					
13	8a	6-5	6-4	6-4					6a	6-7	6-5	6-7	40a	11-1a	10	10-6					13
14	5	6-5	6-3	6-4					10	6-6	6-5	6-6	4	11	10-6	11					14
15			6-3	6-4					21	6-5a	6-4	6-5	10	10-6	10-3	10-3					15
16	5	6-5	6-5	6-5					8	6-7	6-5	6-5			10-1	10-3					16
17	28	6-5a	6-2	6-5					3	6-6	6-6	6-6	21	10-6	10-2	10-6					17
	65		.73	8					48		.73	6-4	75		1.14	10-3					
20			6-6	6-6					6a	6-6	6-6	6-6	12	11	10-6	10-6					20
21	16a	6-5a	6-2	6-2					3	6-5	6-5	6-5	14	11	a 10-4	11					21
22	1	6-2	6-	6-2					19	6-6	6-2	6-2	11a	11-1	11	11-1					22
23	2	6-3	6-	6-3					12	6-2a	6	6	1	10-7	10-7	10-7					23
26	3	6-4	6-3	6-4					1	6-2	6-2	6-2	6	10-5	10-4	10-4					26
	22		.71	7-7					81		.67	6-4	54		1.22	10-6					
27	4a	6-5a	6-3	6-3					7	6-1a	6-1	6-1	5	10-4a	10-3	10-4					27
28	11	6-5	6-4	6-4					3a	6-2	6-1	6-1	14	10-6	10-4	10-6					28
29			6-3	6-4					13	6-2	6-1	6-1	.8a	10-7	10-4	10-7					29
30	11	6-4	6-4	6-4							6-1	6-3			10-5	11					30
Fin'n				.44							DEFICITS	.47				.92	.600			1.53	Fin'n
																	.150				
DIV					• RIGHTS FOR COMMON • EXPIRED												• TO BYSE				DIV
	OCT	-	APR	-	OCT	-	APR	-	OCT	965	APR	300	OCT	600	APR	-	OCT	-	APR	1485	
	NOV	-	MAY	-	NOV	-	MAY	-	NOV	310	MAY	100	NOV	-	MAY	101	NOV	1401	MAY	1360	
	DEC	-	JUN	-	DEC	-	JUN	-	DEC	179	JUN	300	DEC	1200	JUN	-	DEC	1201	JUN	7231	
	JAN	-	JUL	1190	JAN	-	JUL	-	JAN	400	JUL	110	JAN	-	JUL	-	JAN	1401	JUL	1746	
	FEB	322	AUG	-	FEB	-	AUG	-	FEB	-	AUG	300	FEB	4500	AUG	-	FEB	830	AUG	1466	
	MAR	-	SEP	-	MAR	-	SEP	-	MAR	-	SEP	-	MAR	-	SEP	-	MAR	1750	SEP	-	
	APR	-	FEB	1800	AUG	-	FEB	-	AUG	-	FEB	-	AUG	200	FEB	-	AUG	-	FEB	-	
	SEP	-	MAR	-	SEP	-	MAR	-	SEP	1900	MAR	-	SEP	-	MAR	-200	SEP	-15000	MAR	-1000	
	OCT	-	APR	-	OCT	-	APR	-	OCT	-	APR	-	OCT	-	APR	-	OCT	-	APR	-99339	
	NOV	-	MAY	-	NOV	-	MAY	-	NOV	700	MAY	-	NOV	-	MAY	-	NOV	-10000	MAY	-700	
	DEC	-	JUN	-	DEC	-	JUN	-	DEC	-	JUN	-	DEC	-	JUN	-	DEC	-300	JUN	-	
	JAN	-	JUL	-	JAN	-	JUL	-	JAN	-	JUL	-	JAN	-	JUL	-	JAN	-300	JUL	-	

WEIS MARKETS INC	WELDELY CORPORATION	WELLS FARGO & CO	WELLS RICH GREENE INC	WESCO FINANCIAL CORP
(Cash Dividend Today) (Stock to be Distributed)	(Cash Dividend Today) (Stock to be Distributed)	(Cash Dividend Today) (Stock to be Distributed)	(Cash Dividend Today) (Stock to be Distributed)	(Cash Dividend Today) (Stock to be Distributed)
XDA 1954	XDA 8672	XDC 9267	XDC 1501	XDC 2151
YOU HIGH LOW CLOSING	YOU HIGH LOW CLOSING	YOU HIGH LOW CLOSING	YOU HIGH LOW CLOSING	YOU HIGH LOW CLOSING
7/1 34a 65 a 66-6 66-6	5 6-3a 6-2 6-2	69 38-2a 37-6 38	72a 19-4a 19-1 19-6	13a 18-5 18-4 19-4 7/1
2 .93 .95 .95	17a 6-5 6-2 6-4	72a 38-3 38 38-1	20 19-5 19-3 19-3	19 18-2a 17-6 17-6 2
7a 5.01 .93	22 .87 6-6	121 6.25 42-5	92 2.02 20-1	27 2.07 20-7
5 HOLIDAY	HOLIDAY	HOLIDAY	HOLIDAY	HOLIDAY 5
6 13 65-3a 65-1 65-2	1a 6-6 6-6 6-6	16 39 38-1 38	192 19-7a 18-3 18-7	17 17-7 17-5 17-5 6
7 1 65-2 65-2 65-2	8 6-6a 6-3 6-6	18a 38-1 38-5 38-6	202 20 18-7 20	22a 18 a 17-6 17-5 7
8 14a 67-1 65-6 67	8 6-6 6-3 6-3	172 38-4a 38 38-2	99 21 20 20-6	11 18 17-6 18 8
9 .6 .97 66-6 66-6	20 6-6 6-3 6-3	11 38-3 38-2 38-2	39a 21-1 20-7 21	18 19 19 19 9
26 5.21 63-3	32 .98 6-6	219 6.29 42-5	370 2.39 20-3	69 1.99 20-7
12 10a 66-6 66 66-2	7a 6-3 6-2 6-3	9 38-1a 38 38	36a 21 20-1 21-6	9 18-1 17-7 18-1 12
13 11 66 a 65 65-2	19 6-3 6-3 6-3	10 38-2 38 38	62 20-1 19-5 20-1	19 18 a 18-a 17-6 13
14 65 65-6	11 6-3 6-3 6-3	120 38-5 38 38-5	27 20 a 19 20	14 18 17-5 17-7 14
15 2 65-2 65-2 65-2	8 6-3a 6-2 6-2	59a 38-1 38-6 38	19 20 19-2 19-5	30a 18-6 18 19-5 15
16 1 65-2 65-2 65-2	11 6-1 6-2 6-3	9 38-7 38-7 38-7	15 20-1 19-7 19-7	29 18-6 18-3 18-1 16
26 5.09 63-6	52 .97 6-6	206 6.38 42-5	159 2.20 20-6	101 2.09 20-7
19 3 65 a 65 65	19 6-2a 6-2 6-2	3 39 38-7 38-7	23 19-6a 19-1 19-2	10 18-6a 18-2 18-3 19
20 2 65 65 65	5 6-2 6-2 6-2	4 39 38-7 38-7	11 19-6 19-1 19-6	13 18-7 18-6 18-6 20
21 5 65-3 65 65	16a 6-3 6-2 6-2	14 38-1 38-7 38-1	56 20 19-5 20	23 19-2 18-6 19-2 21
22 14 65-6 65-6 65-6	11 6-2 6-2 6-2	62a 38-3a 38-6 38-7	29 20-2 19-5 20-2	10a 19-3 19 19-2 22
23 10a 65-6 65-6 65-6	6 6-2 6-2 6-2	2 39 38-6 39	74a 21-1 20-6 21-1	11 19-2 19 19 23
26 5.09 63-6	57 .97 6-6	85 6.38 42-6	392 2.29 20-6	67 2.17 21
26 65-6 66	14 6-1 6-1 6-1	283a 39 38-6 38-5	154a 22 21-2 21-5	11a 19-2 18-7 18-7 26
27 8a 66 66 66	2 6-1 6-1 6-1	27 38-6 38-4 38-6	55 21-7 20-5 20-5	23 18-6 18 18-1 27
28 1 66 66 66	8a 6-2 6-1 6-2	7 38-6 38-3 38-3	54 20-3 19-6 19-7	15 18 17-6 17-6 28
29 11 65-6 65-6 65-6	10 6-1a 6 6	10 38-2 37-3 37-3	40 20 19-3 19-3	25 17-6a 17-2 17-2 29
30 6 .92 a 63 63	6 6-1 6 6	13 37-3a 37 37	125 19-6a 19-6 19-6	5 17-6 17-6 17-6 30
20 3.20 64-2	50 .96 6-6	326 6.33 42-5	628 2.26 20-7	79 2.00 21
8/2 I 4a 65 65 65	2a 6-1a 6 6	162 37 a 37 37	200a 19-6 18-6 19-2	12a 17-6 17-2 17-2 8/2
3 6 65 64-6 64-6	66 6 6 6	32a 37-5 37 37-6	120 19-2 17-7 17-7	28 17-2 16-6 16-6 3
4 11 66-3a 63-6 63-6	7 6-1 6 6	8 37-6 37-2 37-3	71 19-6a 17-2 17-6	27 16-5 16-1 16-2 4
5 6 66 63-6 63-6	6 6 6 6	7 37-3 37-2 37-2	10 17-7 17-5 17-5	13 16-6 16 16-6 5
6 12 66-2 66 66-2	1 6-1 6-1 6-1	78 37-2 37-2 37-2	21 18 17-7 18	29 16-2a 15-6 16 6
21 6.15 64-2	84 .97 6-6	307 6.38 42-6	622 2.01 20-7	109 1.96 21
9 66 66-2	11 6 a 6 6	31 37-5a 37-3 37-6	10 18-2a 17-7 17-7	15 16-1a 15-5 15-6 9
10 63-6 66-1	5 6 6 6	6 37-6 37-6 37-6	14 18-1 17-7 18	25 16 15-5 15-7 10
11 6a 66 66 66	8a 6-1 6 6-1	6 38-2 38 38-2	23 18-7 18-1 18-7	22 16 15-6 16 11
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12 5.69 66-5	38 .86 6-6	69 6.54 42-6	622 2.28 21	110 1.93 20-7
16 15 66-6 66-2 66-6	19 6-1a 6 6-1	52a 40-7a 40-6 40-6	161 21-7a 20-9 21-5	78 19-3a 17-6 17-7 16
17 10 65-6 66-2 66-2	30a 6-3 6-2 6-2	18 40-6 40-5 40-5	187 22 21-1 22	51a 19 17-6 19 17
18 5 66-2a 66 66-2	19 6-2 6-2 6-2	3 40-5 40-5 40-5	179a 22-7 21-6 22-6	32 18-6 17-7 17-7 18
19 9a 65 66-3 66-3	26 6-2 6-2 6-2	7 40-5 40-5 40-5	7a 22-5 22-2 22-6	8 18-2 18 18-2 19
RC 1 66-1 66-1 66-1	60 6-3 6-2 6-2	175 40-5 40-5 40-5	61 22-2 21-6 21-6	3 18 18 18 20
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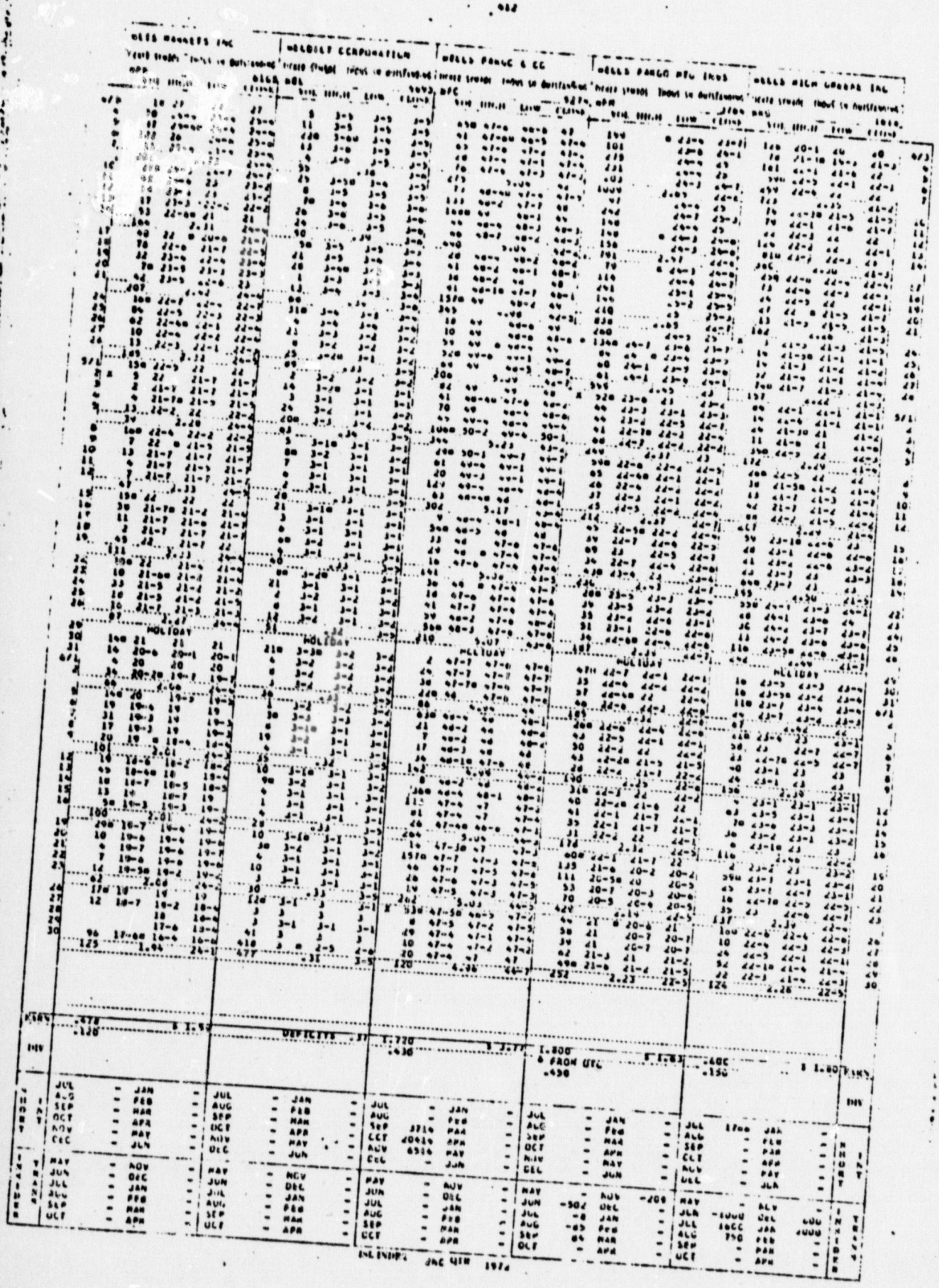
23 5 66-6 66 66-6	15a 6-3a 6-2 6-2	25a 40-7 40-6 40-6	18 21-7 21-6 21-7	21 18-2a 18 18-2 23
24 8a 66-6 66-6 66-6	2 6-2 6-2 6-2	11 40-3 40 40	112a 22-6 21-5 21-5	69 19 18-2 19 24
25 66 66-2a 63-3 63-6	8 6-3 6-2 6-2	9 40 a 39-6 40	18 21-6 21-3 21-3	29 19-6 19-6 19-6 25
26 5 66 63-6 66	11 6-2 6-2 6-2	7 40 39-6 40	38 21-5a 20-5 21-2	30a 20-1 19-2 20 26
27 26 66-6 66 66-6	29 6-3 6-2 6-3	23 40-2 39-6 39-6	50 22-1 21-6 22	21 20 19-5 19-5 27
84 6.65 66-7	65 .86 6-6	78 6.61 42-2	236 2.36 21-3	170 2.26 20-7
30 6 64-6a 66-6 66-6	37a 6-6 6-3 6-3	6 39-5 39-6 39-6	36a 22 21-7 22	6 19-6 19-3 19-6 30
31 2 66-6 66-6 66-6	2 6-2 6-2 6-2	9 39-5 39-6 39-5	37 22 21-6 21-6	6 19-3 19-3 19-3 31
9/1 1a 66-6 66-6 66-6	17 6-2a 6 6	17 39-6a 39-2 39-2	87 21-7 21-2 21-2	10 19-4 19-3 19-3 9/1
2 6 66-6 66-6 66-6	2 6 6 6	7a 39-7 39-6 39-6	20 21-4a 20-7 21	33 19-6a 18-6 19-6 2
3 1 66-6 66-6 66-6	9 6-1 6 6	2 39-5 39-5 39-5	13 21-4 21-1 21-2	25a 20-1 19-5 20 3
12 4.96 66-7	87 .86 6-6	69 6.61 42-1	557 2.31 21-5	76 2.19 20-6
6 HOLIDAY	HOLIDAY	HOLIDAY	HOLIDAY	HOLIDAY 6
7 2a 65 66-6 65	9a 6-1a 6 6	10 39-6 39-5 39-6	100a 21-7 21-6 21-6	28a 20-2 19-6 19-6 7
8 2 66-6 66-6 66-6	16 6-1 1 6	10 39-6 39-6 39-6	18 21-6a 21-1 21-1	26 19-6 19-1 19-1 8
9 15 65 66-6 66-6	19 6-1 6 6	16 39-5a 39-2 39-5	51 21-6 21-1 21-1	33 19-2 18-2 18-2 9
10 6 66-6a 66 66	1 6-1 6 6	25a 40 39-5 39-7	106 21-2 21-1 21-1	23 18-2a 17-5 17-6 10
25 6.88 65	67 .83 6-5	61 6.32 42	271 2.30 21-3	Y10 1.99 20-5
13 39I 63-5a 63-6 63-2	7a 6 6 6	39-6 63	Y32a 22-2 21-6 21-6	27 18 17-5 18 13
14 63 63-6	22 6 a 3-7 3-7	10a 40 a 39-6 39-6	61 21-6 21-1 21-1	15 18-1 17-6 17-6 14
15 3 63-6 63-6 63-6	6 3-7 3-7 3-7	2 39-6 39-6 39-6	10 21-3 21-1 21-1	7 17-6 17-5 17-5 15
16 16a 66-6 63-6 66-6	3 3-7 3-7 3-7	6 39-6 39-6 39-6	39 21-3a 21 21-1	10 17-6a 17-6 17-6 16
17 5 66-6 66-2 66-6	27 6 3-7 3-7	15 39-6 39-6 39-6	25 21-6 21-2 21-2	18a 18-2 17-5 18-2 17
616 6.85 65	58 .82 6-5	11 6.40 41-6	267 2.33 21-2	71 1.96 20-3
20 3a 66-7 66-7 66-7	6a 6 a 3-7 6	36a 39-6 39-3 39-2	33a 21-6 21 21-1	20a 18-3 18 18-1 20
21 1 66-7 66-7 66-7	1 6 6 6	23 39-3 39-1 39-1	25 21-3 20-2 20-2	3 18-2 18-2 18-2 21
22 18 66-7 66-6 66-6	8 6 3-7 6	8 39-2 39 39	56 20-2 19-7 19-7	12 17-7 17-5 17-5 22
23 2 66 a 66 66	6 3-7 3-7 3-7	10 39-1 39 39-1	22 19-7a 19-3 19-6	46 17-2 17 17-2 23
24 1 66 66 66	2 6 3-7 3-7 I	19 39 a 38-7 39	13 20-3 20 20	65 17 a 16-6 16-6 24
25 6.93 65	31 .83 6-4	90 6.38 42-5	Y55 2.21 21-7	Y6K 1.93 20-3
27 5a 66 66 66	6 3-7 3-7 3-7	7 38-6a 38-5 38-5	28 20 a 19-5 19-6	17 17 a 16-3 16-6 27
28 a 63-6 66	1a 6 6 6	21 39 38-7 38-7	20a 20-5 20 20	12 17-2 16-6 17 28
29 63-5 66	1 6 6 6	5 39 39 39	6 20-2 20-1 20-1	8 17-2 16-7 17-2 29
30 3 66 63-6 63-6	8 3-7a 3-5 3-6	119a 39-6 39-2 39-6	21 20-5 20-1 20-1	24a 17-6 17 17-6 30

EARN	.720			$ 2.97		DEFICIT		.20	EARN	1.600			$ 2.58	EARN	.600			$ 1.57	EARN				$ 1.45	EARN
	.230								DIV	.660					.150									DIV
															* FROM ASE									
SHORT INT	OCT	-	APR	-	OCT	-	APR	-	SHORT INT	OCT	-	APR	-	SHORT INT	OCT	-	APR	1465	SHORT INT	OCT	-	APR	-	SHORT INT
	NOV	-	MAY	-	NOV	-	MAY	-		NOV	-	MAY	-		NOV	1601	MAY	1360		NOV	-	MAY	-	
	DEC	-	JUN	-	DEC	-	JUN	-		DEC	3716	JUN	-		DEC	1291	JUN	7273		DEC	-	JUN	-	
	JAN	-	JUL	-	JAN	-	JUL	-		JAN	19119	JUL	-		JAN	1801	JUL	1766		JAN	-	JUL	-	
	FEB	-	AUG	-	FEB	-	AUG	-		FEB	3716	AUG	-		FEB	910	AUG	-		FEB	-	AUG	-	
	MAR	-	SEP	-	MAR	-	SEP	-		MAR	-	SEP	-		MAR	1750	SEP	-		MAR	-	SEP	-	
INSIDER TRANS	AUG	-	FEB	-	AUG	-	FEB	-	INSIDER TRANS	AUG	-	FEB	-	INSIDER TRANS	AUG	-	FEB	-	INSIDER TRANS	AUG	-1000	FEB	-3500	INSIDER TRANS
	SEP	-	MAR	-	SEP	-	MAR	2550B		SEP	-	MAR	549		SEP	-15000	MAR	-		SEP	-3966	MAR	2931	
	OCT	-	APR	-	OCT	-	APR	-		OCT	-	APR	-		OCT	-	APR	-		OCT	-1300	APR	100	
	NOV	-	MAY	-	NOV	-	MAY	-		NOV	-	MAY	-		NOV	-10000	MAY	-		NOV	-2935	MAY	1167	
	DEC	-	JUN	-	DEC	-	JUN	-		DEC	-	JUN	-		DEC	-	JUN	-		DEC	-250	JUN	-	
	JAN	-	JUL	-	JAN	-	JUL	-		JAN	-	JUL	-		JAN	-	JUL	-		JAN	-2000	JUL	-	

	WEBB MARKETS INC				WEBB MARKETS INC				WELDIN CORPORATION				WELLS FARGO & CO				WELLS RICH GREENE INC				
	(Split Stock - Does not reflect Stock Dividends)				(Split Stock - Does not reflect Stock Dividends)				(Split Stock - Does not reflect Stock Dividends)				(Split Stock - Does not reflect Stock Dividends)				(Split Stock - Does not reflect Stock Dividends)				
	ASE				ASE A				ASE			9672	NYC			9479	NYO			1504	
	VOL	HIGH	LOW	CLOSE	VOL	HIGH	LOW	CLOSE	VOL	HIGH	LOW	CLOSE	VOL	HIGH	LOW	CLOSE	VOL	HIGH	LOW	CLOSE	
12/1									32a	3-6a	3-5	3-6	11a	39-4a	39-4	39-5	32a	20-3a	19-6	19-6	12/1
									32	.42		6-3	31	8.45		41-2	32	2.26		20-9	
8	1	43-4	43-4	43-4					69a	3-6a	3-5	3-6	15	40 a	39-5	40	52	20	19-6	19-7	8
9	6	43	43	43					7	3-6	3-5	3-6	261	41-2	40-2	41-2	11a	20-2	20	20	9
6				42-6	43-2				5	3-6	3-5	3-6	38	42-1	41-6	41-6	18	19-6	19-3	19-3	6
7	3	42-6	42-6	42-6					9	3-6	3-5	3-6	69	42-6	41-5	42-6	33	19-6	19-2	19-3	7
8	19a	44 a	42	44					10	3-6	3-5	3-6	42a	43-1	42-7	43-1	15	19-6a	19	19	8
	29	8.71		43-6					104	.81		6-3	424	8.79		41-2	131	2.14		20-3	
11	9	45 a	44-6	44-6					5	3-6a	3-5	3-5	20	43-6	43-2	43-2	2	19	19	19	11
12	6	45-1	44-6	45-1					14	3-6	3-5	3-6	17	43-2	43-2	43-2	61	19-3a	18-7	19-3	12
13	10	45-6	45-2	45-6					66a	3-7	3-6	3-6	30a	43-5	42-6	42-6	40a	20-2	19-2	20	13
14	31a	46-1	45-6	46-2					2	3-6	3-6	3-6	32	43 a	42-6	42-6	371	20	19-2	19-2	14
15	1	45-6	45-6	45-6					5	3-7	3-6	3-7	19	43	42-6	42-6	72	20	19-3	19-7	15
	57	5.26		44-5					79	.82		6-2	113	4.55		41-1	524	2.19		20-2	
18	3a	45-2	45-2	45-2					13a	3-7a	3-6	3-6	19a	42-7	42-5	42-5	115a	20-1	19-6	19-5	14
19	6	45	44-6	44-6					8	3-7	3-6	3-7	5	42-3	42-1	42-1	10	19-6	19-1	19-6	19
20	6	44-6	43-6	43-6					23	3-7	3-7	3-7	66	42-1a	41-6	42-1	290	19-6a	14-5	17-6	20
21	6	44 a	43-2	43-2					3	3-7	3-6	3-7	257	42-6	42-2	42-2	171	19-6	19	19-3	21
22	2	43-3	43-3	43-3					2	3-6	3-6	3-6	33	42-6	42-5	42-6	115	19-6	19-7	19-7	22
	39	5.05		44-5					99	.86		6-2	359	8.99		41	703	2.26		20-1	
25	3a	43-2	43-2	43-2					7a	3-7	3-5	3-5	3a	42-5	42-4	42-4	10a	19-1	18-5	18-7	25
26	3	43-2	43	43-2					5	3-5	3-5	3-5	3	42-3	42-2	42-2	x 1	18-6	18-6	18-6	26
27	4	43-2	43	43-2					62	3-5a	3-4	3-5	35	42-3	41-7	42-3	22	18-7	18-5	18-5	27
28	19	42-7	42-6	42-6					5	3-4	3-4	3-4	11	42-1	41-6	41-7	12	18-5a	18-2	18-4	28
29	8	42+6a	42+3	42-6					25	3-4	3-4	3-4	35	41-7a	41-5	41-7	31	18-7	18-5	18-5	29
	37	5.10		44-5					104	.81		6-2	87	8.99		41	59	2.20		19-7	
11/1	7	42-6	42-1	42-1					5a	3-4	3-4	3-4	23a	42	41-5	41-5	10	18-7a	17-3	17-4	11/1
2	6	42-3a	42	42-2					13	3-4a	3-3	3-3	14	41-3a	41-1	41-1	132	18-6	17-5	18-6	2
3	2	42-6	42-4	42-6					6	3-4	3-3	3-4	5	41-3	41-1	41-1	24	19	18-5	19	3
4	37	44	43	44					19	3-4	3-3	3-4	11	41-3	41-1	41-3	26a	19-3	18-6	19	4
5	19a	43-2	44	44					5	3-3	3-3	3-3	30	41-1	41-1	41-1	9	19	18-6	19-6	5
	21	5.21		44-6					98	.81		6-1	65	8.90		40-6	211	2.25		19-7	
8			43-4	44					7	3-3	3-3	3-3	3	41-1a	41	41	159a	18-6	17-7	18-1	8
9			44-5	44					82a	3-4	3-3	3-3	1	41	41	41	11	19-5	18-1	18-3	9
10	3a	44	44	44					16	3-3	3-2	3-2	28a	41-4	41-3	41-4	6	18-6	18-2	18-3	10
11	1	43-6	43-6	43-6					15	3-2	3-2	3-2	9	41-2	41-1	41-1	13	18-2	17-7	18-1	11
12	1	43-3a	43-3	43-3					23	3-1a	3	3-1	13	41-2	41	41-2	17	18-1a	17-5	18-1	12
	4	5.34		44-5					101	.39		6-1	54	8.06		40-6	205	2.22		19-6	
15	2	43-5	43-3	43-5					33a	3-1a	3	3	32a	41	40-2	40-2	15	17-7	17-5	17-5	15
16	52a	43-7	43-4	43-6					11	3-1	3	3	39	40-7	40-5	40-7	16	17-7	17-3	17-7	16
17	19	43-6	43-6	43-6					15	3-1	3	3	5	40-5	40-5	40-5	4a	18	17-5	17-7	17
18	5	43-4a	42-6	42-6					16	3-1	3	3	33	40-6	40-2	40-2	19	17-6	17-1	17-1	18
19	4	43	43	43					13	3	3	3	22	40-2a	39-6	40-2	22	17 p	16-3	16-5	19
	82	5.21		44-6					85	.36		6	131	8.93		40-2	76	2.10		19-5	
22	5	43-2a	43	43					7a	3	2-7	2-7	18a	40-3	40-1	40-1	10	16-6	16-2	16-2	22
23	5	43-1	43-1	43-1					35	2-7a	2-5	2-6	11	40	40	40	23	16-2a	15-6	15-7	23
24	4a	43-4	43-4	43-4					24	2-7	2-5	2-7	10	40-2a	39-7	39-7	25	16-4	15-7	16-4	24
25	HOLIDAY				HOLIDAY				HOLIDAY				HOLIDAY				HOLIDAY				25
26	6	43	43	43					19	2-7	2-6	2-7	21	40-2	39-7	40	23a	16-5	16-2	16-4	26
	10	5.38		44-3					85	.35		6	70	8.09		40	83	2.04		19-4	
29	9	44-2a	43-3	44-2					81a	3 a	2-6	2-7	28	40-3	40-1	40-2	28	17-6a	16-6	17-4	29
30	3	44-2	44	44-2					29	3	2-7	3	12	40-2a	40	40-1	52	17-7	17-3	17-6	30
12/1	8a	45-2	44-4	45	•	22-4	22-8		16	3	3	3	17	40-7	40-1	40-5	117	18-7	18	18-7	12/1
2			44-4	45-4	a	22-2	23		17	3	2-7	2-7	135	41-4	40-5	41-4	49	19-3	19	19-1	2
3	32	45	45	45		22-2	23		20	3	3	3	196a	42-1	41-4	42-1	19a	19-4	19-2	19-3	3
	72	5.16		44-3		2.70			142	.32		5-7	278	8.68		40	260	2.25		19-4	
6	6a	45-4a	45	45	a	22-2	23		74a	3-7	3	3	28	42-7a	42-1	42-5	29	19-4	19-1	19-1	6
7	5	45	45	45		22-2	23		32	3 a	2-7	3	81	43-2	42-4	43-2	11	19-1a	18-7	19	7
8	10	45	45	45		22-2	23		30	3	2-7	2-7	50a	43-4	43	43-2	134a	19-4	19-1	19-4	8
9	1	45-4	45-4	45-4		22-2	23		27	3	2-7	2-7	16	43-4	43-2	43-2	20	19-4	19-4	19-4	9
10	2	45-2	45-2	45-2		22-2	23		51	3	2-7	3	10	43-4	43-3	43-5	24	19-6	19-1	19-1	10
	27	5.33		44-3		2.69			216	.33		5-7	145	5.07		40	217	2.28		19-4	
13	77	45-5a	45-4	45-4	a	22-2	23		159	3 a	2-7	3	40	43-5	43-3	43-4	85a	19-4	19	19-2	13
14	2	45-6	45-6	45-6		22-2	23		29	3	3	3	7	43-4	43-2	43-2	37	19-3	18-7	18-7	14
15	5a	45-7	45-6	45-7		22-2	23		36	3	3	3	93	43-6a	43	43-6	65	18-7a	19-5	19-5	15
16	13	45-7	45-5	45-5		22-4	23-a		89	3-1	3	3-1	10a	44	43-6	43-6	30	19-4	18-7	19-1	16
17	20	45-7	45-6	45-7		22-4	23-4		24a	3-2	3-1	3-2	93	43-6	43-3	43-5	33	19-3	19-1	19-2	17
	121	5.23		44-2		2.69			337	.35		5-6	193	5.02		40-1	250	2.19		19-4	
20	15	46-7	46-3	46-7	1a	23-6	23-6	23-6	66a	3-4a	3-2	3-4	32a	43-7	43-3	43-3	51	19-5	19-2	19-2	20
21	22	47	46-7	47	a	23-2	24-2		30	3-4	3-3	3-4	9	43-1	42-6	42-6	38	18-7a	18-4	18-5	21
22	7a	47-1	47-1	47-1		23-2	24-2		17	3-4	3-4	3-4	89	43	42-2	42-4	145	20-5	19-6	20-4	22
23	19	48-2a	23-4	24-2	•				37	3-4	3-3	3-4	32	42-5a	42-1	42-1	305a	22-4	21-2	22-1	23
24	HOLIDAY				HOLIDAY				HOLIDAY				HOLIDAY				HOLIDAY				24
	83	2.75		23-4	1	2.75			142	.32		5-6	163	8.78		40-2	559	2.51		19-4	
27	12	24-4a	24-2	24-4					17a	3-4a	3-3	3-3	2 a	41-6	41-4	41-4	198a	22-7	22-1	22-6	27
28	23	24-6	24-2	24-4					19	3-4	3-3	3-4	53a	41-7	41-2	41-2	79	22-6	22-1	22-2	28
29	48a	25	24-6	25					34	3-4	3-3	3-3	9	41-3	40-7	40-7	123	22-5a	21-6	21-6	29
30	3	25	25	25					81	3-4	3-3	3-3	15	41 a	40-6	40-7	107	21-6	21-6	21-6	30
31	23	25	24-7	25					16	3-4	3-3	3-3	8	41-4	40-6	41-1	119	22-5	22	22-5	31
	109	2.81		20-7					127	.37		5-7	91	8.59		40-2	515	2.46		19-5	
EARN	.440			$ 1.52	.960			$ 1.52	DEFICIT$			.25	1.600			$ 3.68	.800			$ 1.57	EARN
DIV	.230				• SPD FOR 2/1 ST SPLIT								.400				.150				DIV
	• FOR 2/1 ST SPLIT				• TO TRADE REGULAR WAY																
QUOTE	JAN	- JUL	-		JAN	- JUL	-		JAN	- JUL	-		JAN	10114 JUL	-		JAN	1401 JUL	1766		QUOTE
	FEB	- AUG	-		FEB	- AUG	-		FEB	- AUG	-		FEB	3710 AUG	-		FEB	930 AUG	-		
	MAR	- SEP	-		MAR	- SEP	-		MAR	- SEP	-		MAR	- SEP	3716		MAR	1750 SEP	-		
	APR	- OCT	-		APR	- OCT	-		APR	- OCT	-		APR	- OCT	70919		APR	1665 OCT	-		
	MAY	- NOV	-		MAY	- NOV	-		MAY	- NOV	-		MAY	- NOV	6516		MAY	1160 NOV	-		
	JUN	- DEC	-		JUN	- DEC	-		JUN	- DEC	-		JUN	- DEC	-		JUN	7273 DEC	-		
INTRA-MONTH	NOV	- MAY	-		NOV	- MAY	-		NOV	- MAY	-		MAY	- MAY	-		NOV	-10000 MAY	-		INTRA-MONTH
	DEC	- JUN	-		DEC	- JUN	-		DEC	- JUN	-		DEC	- JUN	-		DEC	- JUN	-1000		
	JAN	- JUL	-		JAN	- JUL	-		JAN	- JUL	-		JAN	- JUL	-		JAN	- JUL	2100		
	FEB	- AUG	-		FEB	- AUG	-		FEB	- AUG	-		FEB	- AUG	-		FEB	- AUG	-		
	MAR	- SEP	-		MAR	- SEP	-		MAR	2550E SEP	-		MAR	599 SEP	-		MAR	- SEP	-		
	APR	- OCT	-		APR	- OCT	-		APR	- OCT	-		APR	- OCT	-		APR	- OCT	-		

	WELCELT CORPORATION				WELLS FARGO & CO				WELLS RICH GREENE INC				WESCO FINANCIAL CORP				WEST PENN POWER CO			
	Debt Ratio: Times to cover int				Times to cover int				Debt Ratio: Times to cover int				Times to cover int				Times to cover int			
	WBL			9622	WFC			9245	WRG			1502	WSC			2260	WSP PB			99
	Sales	Earn	Earn	Close	Sales	Earn	Earn	Close	Sales	Earn	Earn	Close	Sales	Earn	Earn	Close	Sales	Earn	Earn	Close
1/3	2	3-4@	3-4	3-4	61	41-7	41-5	41-6	32	22-4	22-1	22-3	59	17-6@	16-5	16-7		@ 56	58	1/3
4	6	3-5	3-4	3-5	5	41-5	41-6	41-6	29	22-3@	21-6	22-2	25	17	16-6	16-7		56-6	58	4
5	17	3-6	3-5	3-5	42	41-7@	41-2	41-2	HR	22-7	22-2	22-5	92	17	16-5	16-6		56-6	59	5
6	33	3-6	3-5	3-6	9A@	42-3	41-6	42	20@	23-7	22-7	23-3	102	16-7	17	17-7	10@	57-6	57-6	57-6	6
7	500	4	3-7	4	39	42	41-5	41-5	39	23-6	22-6	23-6	112@	18-6	15	16		57	59	7
	110	.41		3-6	250	4.02		40-3	411	2.57		19-6	351	1.76		17-3	10	6.32	57-6	
10	58	4-2@	4	4-2	5	41-7	41-5	41-5	74	23-2@	22-5	23-2	34	18-2@	17-7	18		@ 57	59	10
11	32@	4-3	4-2	4-2	176	42	41-5	42	49	23-6	23-2	23-6	34	19-6	18-1	19-2		57	59	11
12	25	4-2	4-2	4-2	40@	42-6	42-2	42-6	51@	23-7	23-6	23-6	78@	19-7	18-3	18-5		57	59	12
13	42	4-1	4-1	4-1	41	42-6@	41-6	41-6	88	23-6	22-6	23-1	60	18-3	17-7	18-2		57-6	59	13
14	8	4-2	4-1	4-2	16	42	41-6	41-6	76	23-3	22-7	23-3	13	18-7	17-7	18-2		57	59	14
	169	.45		3-6	278	4.36		40-3	341	2.35		19-7	419	2.01		17-3		6.31	57-3	
17	220	4-3	4-2	4-2	28@	42	41-3	41-6	49	23-7@	23-2	23-6	33	19-5	18-1	18-3	10@	59	59	17
18	63	4-3@	4-1	4-1	33	41-5	41-2	41-3	X 114	24-3	23-5	23-7	8@@	19-1	18-2	19	16@	57 @	57	18
19	2	4-2	4-2	4-2	35	41-5	41-2	41-5	345	24-6	23-7	24-5	17	19	18-5	18-6		57	58	19
20	4	4-2	4-2	4-2	20	41-3	40-5	40-5	155@	25-6	25	25-2	21	19-6	19	19-1		57	59	20
21	83	4-3	4-1	4-2	150?	40-2@	39-6	39-6	95	25-1	25	25	20	18-1@	17-7	17-7		57	58	21
	174	.46		3-6	1023	4.46		40-3	798	2.77		20	194	1.79		17-3	110	6.37	57-6	
24	87	4-3@	4-2	4-3	6	39-6	39-6	39-6	8@	25-2	25	25	15	18-1	17-5	17-5	100@	58 @	59	24
25	55	4-3	4-2	4-3	27@	39-7	39-2	39-2	145	25 @	24-6	24-6	83	17-6@	16-7	17-6		58	59-6	25
26	9	4-3	4-3	4-3	55	39-3	39	39-2	33	25	24-6	24-6	31	18-2	17-6	17-6		58	59-6	26
27	23	4-3	4-2	4-2	163	39	38-7	39	72	26-6	24-6	24-1	9	18	17-6	18		58	59-6	27
28	79@	4-4	4-3	4-4	83	39-2@	38-6	39	174@	27-2	26-3	27	56@	18-3	17-6	17-7		59	59-6	28
	253	.47		3-6	356	4.33		40-3	937	2.90		20-2	194	2.00		17-3	100	6.41	57-2	
31	16	4-3@	4-3	4-3	134	39 @	38-5	39-7	115@	27-7	27-2	27-7	18	18-4@	17-7	18-6		@ 58	59-6	31
2/1	33@	4-4	4-3	4-3	42	39-6	39-7	39-6	95	27-7	27	27-3	20	18-6	18-1	18-1	120@	59	59	2/1
2	8	4-4	4-3	4-4	140@	40-5		40-1	158	27-5	27-1	27-2	27@	18-5	18-1	18-1		58	61	2
3	22	4-4	4-3	4-3	390	40-5		40-1	112	27 @	26-3	26-5	16	18-2	18	19		59	61	3
4	12	4-4	4-3	4-4	44	40-1		40	43	27	26-5	26-6	24	18-3	19	18-1		58	61	4
	91	.48		3-6	750	4.44		40-4	923	2.44		20-4	105	1.99		17-3	120	6.75	57-2	
7	40	4-4@	4-3	4-4	99	40-7@	40	40-5	44@	27-2	26-6	27-1	40@	18-3	17-5	17-5		@ 59	61	7
8	16	4-4	4-3	4-4	153	40-6	40-2	40-6	47	27-2	26-6	27	17	17 6	17-5	17-6		58	61	8
9	14	4-4	4-3	4-4	311@	42	41	41-6	151	26-7	26-1	26-5	87	17-7	17	17-1		58	61	9
10	15	4-4	4-3	4-3	70	42	41-2	41-2	193@	26-7@	25-5	25-6	88	17-6@	16-6	16-6		59	61	10
11	17	4-3	4-3	4-3	22	41-1	40-6	40-7	777	26-6	25-6	26	25	17	16-6	17		59	61	11
	66	.47		3-6	655	4.47		40-4	2571	2.57		20-5	257	1.81		17-2		6.62	57-3	
14	100	4-3	4-3	4-3	33	41-3@	40-6	41-2	195@	26-3	25-7	26	30@	17-2	16-7	16-7		@ 58	61	14
15	46	4-3	4-3	4-3	56	42-6	41-6	42-6	67	26-2	26	26	18	17	16-7	17		58	61	15
16	11	4-2@	4-2	4-2	66	43-2	42-5	42-7	88	26-1	25-6	25-6	69	17 @	16-6	16-7		59	61	16
17	4	4-2	4-2	4-2	76	43-6	43-1	43-6	71	25-3@	25-5	25-5	62	17-1	16-7	17		58	61	17
18	6	4-3	4-2	4-2	18@	46	43-6	43-6	80	25-3	25-6	25-1	9	17-2	17-1	17-1		58	61	18
	27	.46		3-6	249	4.71		40-6	691	2.65		20-6	188	1.84		17-2		6.61	57-6	
21	HOLIDAY				HOLIDAY				HOLIDAY				HOLIDAY				HOLIDAY			21
22	14@	4-3	4-2	4-2	10@	43-6	43-3	43-3	72	25-6@	25-2	25-6	15	17-2	17	17		58	61	22
23	2	4-2	4-2	4-2	6	43-6	43-2	43-3	91	26-3	25-6	26-2	32@	17-6	17-1	17-6		59	61	23
24	5	4-1@	4-1	4-1	33	43-2	43	43-1	46	25	24-6	24-7	32	16-5@	16-1	16-5	50@	58	59	24
25	8	4-2	4-1	4-2	8	43 @	42-5	42-5	65@	25-2	24-7	24-7	28	16-6	16-3	16-3		@ 57	59-6	25
	29	.45		3-6	97	4.72		40-7	276	2.72		20-7	107	1.52		16-3	50	6.35	57-5	
28	7@	4-2@	4-1	4-2	41@	42-6	42-2	42-3	35	25-2	25-1	25-1	42	16-5@	16-1	16-5		@ 57	59-6	28
29	10	4-2	4-1	4-2	31	42-6	42	42	24	25-3	25	25	18	16-6	16-3	16-6		57	59-6	29
3/1	5	4-2	4-1	4-1	119	42-1	41-6	42	87@	25-6	25-1	25-3	24@	16-7	16-5	16-7	50	57	57	3/1
2	22	4-2	4-1	4-1	727	42-1@	40-6	41	41	25-3@	24-1	24-3	25	16-5	16-3	16-6		57	59-6	2
3	13	4-1	4-1	4-1	66	41-6	40-7	41-2	32	24-7	24-6	24-6	41	16-6	16-2	16-5	150@	58	57-2	58	3
	65	.44		3-6	984	4.39		41	214	2.61		21	150	1.76		16-3	200	6.37	57-6	
6	7@	4-1@	4-1	4-1	60@	41-6	41	41	52	26	25-5	26	42@	16-6@	16	16		58	59	6
7	15	4-1	4-1	4-1	115	41-2@	40-5	41-2	38	26-2	25-6	26-1	6@	16-6	16-1	16-6		58	59	7
8	0	4-1	4-1	4-1	59	41-6	40-7	41-2	23	26-2	26	26	38	16-6	16-3	16-5		59	59	8
9	16	4-1	4-1	4-1	44	41-6	41-3	41-6	32@	26-3	25-7	26	14	16-5	16-2	16-3		@ 57	59	9
10	16	4-1	4-1	4-1	63	41-6	41-1	41-3	39	26 @	25-3	25-3	27	16-3	16-1	16-2		57	59	10
	60	.43		3-6	367	4.40		41-1	184	2.56		21-2	195	1.72		16-2		6.25	57-7	
13	17	4	4	4	168	41-5	41-1	41-2	164@	23	22-6	22-6	25@	16-5	16	16	10@	58-6	58-6	58-6	13
14	8@	4-1	4	4-1	132	41-7	41-3	41-5	128	22-5	22	22	40	16	15-6	15-7		57	59	14
15	19	4	4	4	152	41-5	41-2	41-4	307	22-1	21	21	26	15-7	15-6	15-6		57	58	15
16	11	4	4	4	91	41-2@	40-5	41	51	21-3@	20-6	21-2	26	15-2@	15-1	15-2	300	57-6	57	16
17	0	3-7@	3-7	3-7	180@	43	41-2	43	131	22-3	21-6	22-3	28	15-5	15-2	15-5		@ 56	58-6	17
	63	.42		3-6	723	4.37		41-1	795	2.26		21-3	146	1.62		16-2	310	6.08	59	
20	31@	0 @	3-7	3-7	105	43-2@	43-6	43-1	22@	22-5	21-7	22	8	15-6	15-6	15-6	X 10@	57	57	20
21	3	3-7	3-7	3-7	41	45-6	45-2	45-6	68	22	21-2	21-6	14	15-6@	15-2	15-3		@ 56	58	21
22	11	3-7	3-7	3-7	31	46-3	45-6	46-2	78	21-5@	21	21-1	23	15-2	15-2	15-2		57	59-6	22
23	6	4	3-7	4	72@	48-6	46-2	46-1	25	21-6	21-2	21-2	16	15-5	15-3	15-5		57	58-6	23
24	0	3-7	3-7	3-7	X 112	48-2	47-1	41-1	36	21-2	21	21-2	19@	15-7	15-5	15-5		57	59-6	24
	59	.42		3-6	361	5.09		41-3	229	2.24		21-2	80	1.65		16-1	10	6.19	58-1	
27	5@	4	3-7	4	110	47-3	46-2	46-3	55@	21-2	20-6	20-5	30	15-7@	15-6	15-7		57	59-6	27
28	23	3-7	3-6	3-6	18	46-5@	46	46-5	84	21-2	20-3	20-6	37@	15	15-6	15-6		@ 56	57-6	28
29	0	3-5@	3-5	3-5	15	47-3	46-5	47-1	37	20-3@	20-1	20-2	6	15-6	15-6	15-6		56	57-6	29
30	17	3-5	3-5	3-5	46@	48	47-1	47-7	27	20-3	20-1	20-1	24	15-7	15-6	15-6		57	57-6	30
31	HOLIDAY				HOLIDAY				HOLIDAY				HOLIDAY				HOLIDAY			31
	51	.38		3-6	189	5.08		41-6	706	2.13		21-2	99	1.64		16		7.17	58-6	
EARN	DEFICIT6 .33				1.650			$ 3.71	.600			$ 1.74				$ 1.38	4.250			EARN
DIV					.400				.150				* FOR SE ST DIV				1.050			DIV
INT	APR	-	OCT	-	APR	-	OCT	20414	APR	1465	OCT	-	APR	-	OCT	-	APR	-	OCT	-	INT
	MAY	-	NOV	-	MAY	-	NOV	6514	MAY	1360	NOV	-	MAY	-	NOV	-	MAY	-	NOV	-	
	JUN	-	DEC	-	JUN	-	DEC	-	JUN	7273	DEC	-	JUN	-	DEC	-	JUN	-	DEC	-	
	JUL	-	JAN	-	JUL	-	JAN	-	JUL	1766	JAN	-	JUL	-	JAN	-	JUL	-	JAN	-	
	AUG	-	FEB	-	AUG	-	FEB	-	AUG	-	FEB	-	AUG	-	FEB	-	AUG	-	FEB	-	
	SEP	-	MAR	-	SEP	▲ 3714	MAR	-	SEP	-	MAR	-	SEP	-	MAR	-	SEP	-	MAR	-	
INT	FEB	-	AUG	-	FEB	-	AUG	-	FEB	-	AUG	750	FEB	-3990	AUG	-	FEB	-	AUG	-	INT
	MAR	2550E	SEP	-	MAR	549	SEP	-	MAR	-	SEP	-	MAR	2931	SEP	-	MAR	-	SEP	-	
	APR	-	OCT	-	APR	-	OCT	-	APR	-	OCT	-	APR	100	OCT	-	APR	-	OCT	-	
	MAY	-	NOV	-	MAY	-	NOV	-	MAY	-	NOV	-	MAY	1147	NOV	230	MAY	-	NOV	-	
	JUN	-	DEC	-	JUN	-	DEC	-	JUN	-1000	DEC	600	JUN	-1047	DEC	-1171	JUN	-	DEC	-	
	JUL	-	JAN	-	JUL	-	JAN	-	JUL	1600	JAN	-	JUL	-390	JAN	-	JUL	-	JAN	-	



WELLS RECH GREENE INC

	VOL	HIGH	LOW	CLOSE
7/3	7	22-4	22-3	22-4
4		HOLIDAY		
5	10	22-4	22-2	22-2
6	150	22-3e	22	22-3
7	21	22-2	22	22-1
	56		2.41	22-7
10	220	22-1	21-5	21-5
11	28	21-5e	21	21
12	3	21-3	21-2	21-3
13	262	22-3	21-2	22-2
14	10	22-3	22-1	22-2
	525		2.42	22-7
17	164	22-1	21-7	21-7
18	84	22	e 21-6	21-7
19	14	22-2	22	22-2
20	66	22-3	22-2	22-2
21	11	22	22	22
	279		2.36	23
24	18	22-5e	22	22-3
25	17e	22-7	22-5	22-5
26	16	22-7	22-6	22-6
27	12	22-5	22-2	22-6
28	4	22-3	22-1	22-1
	67		2.47	23
31	27	22-6	22-3	22-3
8/1	23	22-6e	22-2	22-2
2	107	23	22-6	22-6
3	24	23-2	23	23-2
4	81e	24	23-6	23-5
	262		2.50	24-1
7	76	23-6	23-3	23-3
8	16	23-3	22-7	22-7
9	37	22-7	22-6	22-6
10	18	22-6	22-6	22-5
11	15	22-6e	22-3	22-3
	93		2.38	23
14	7e	22-6	22-2	22-2
15	2	22-2	22-2	22-2
16	98	22	e 22	22
17	16	22-2	22	22-2
18	12	22-5	22-1	22-2
	95		2.33	23
21	46	22-7e	22-6	22-6
22	92	23	22-6	22-7
23	62e	23-5	22-7	23-5
24	14	23-6	23	23
25	17	23	22-5	22-5
	231		2.39	23
28	31	22-7	22-6	22-6
29	34e	23-1	21-7	21-7
30	12	21-7e	21-5	21-7
31	6	22-1	22	22-1
9/1	143	22	21-6	21-6
	226		2.39	22-6
4		HOLIDAY		
5	14	21-6	21-1	21-3
6	92e	21-7	21-2	21-2
7	19	21-1	20-6	21
8	17	21	e 20-5	20-7
	102		2.17	22-5
11	12e	20-7	20-3	20-3
12	195	20-6	19-7	19-7
13	16	19-6	19-6	19-6
14	9	19-6	19-2	19-2
15	138	19-5e	19	19-5
	345		2.09	22-6
18	6	19-7e	19-6	19-7
19	3	19-7	19-6	19-7
20	1	20	20	20
21	9	20-1	20	20-1
22	7e	22-2	19-7	19-7
	22		2.12	22-3
25	22	19-5	19-3	19-3
26	14	19-7e	19-1	19-7
27	17	20	19-7	20
28	31	20	19-7	20
29	11e	20-3	20-1	20-2
	95		2.12	22-2

EARN .600 $ 1.80
DIV .150

SHORT INT	OCT	-	APR	-		
	NOV	-	MAY	-		
	DEC	-	JUN	-		
	JAN	-	JUL	-		
	FEB	-	AUG	-		
	MAR	-	SEP	-		
INSIDERS	AUG	750	FEB	3166		
	SEP	-	MAR	-		
	OCT	-	APR	-		
	NOV	-	MAY	-		
	DEC	600	JUN	-		
	JAN	2000	JUL	-		

MESCO FINANCIAL CORP

	VOL	HIGH	LOW	CLOSE
	18e	14-7	14	14-1
		HOLIDAY		
	22	14-2	14	14
	27	14-1	14	14-2
	14	14-2e	13-7	13-7
	62		1.53	13-6
	4e	14-1	14	14
	5	13-7	13-6	13-7
	12	13-7	13-5	13-7
	9	14	13-5	13-5
	18	13-5e	13-4	13-4
	49		1.48	13-6
	25	13-7	13-6	13-6
	97	13-6e	13-2	13-4
	56	14-4	13-5	14-1
	21	14-2	14-1	14-1
	26e	14-7	14-2	14-6
	165		1.44	13-5
	67	14	13	14
	31e	14-1	13-5	13-5
	10	13-4	13-1	13-1
	7	13-2	13-1	13-2
	10	13-2e	14-7	14-7
	125		1.47	13-5
	9e	14-6	14-4	14-4
	12	14-6	14-3	14-3
	9	14-4	14-3	14-4
	19	14-3e	14-2	14-2
	8	14-3	14-3	14-3
	51		1.51	13-4
	9e	14-7	14-5	14-6
	7	14-6	14-3	14-3
	2	14-3	14-3	14-3
	4	14-4e	14-2	14-4
	11	14-5	14-3	14-5
	53		1.52	15-3
	14	15-3e	14-7	15-2
	73	16	15-2	15
	61e	16-7	15-6	16
	38	16-4	15-6	16-3
	28	16-2	15-7	16
	214		1.70	15-3
	28e	16-3	15-7	15-7
	8	15-7	15-6	15-6
	19	16	15-5	15-5
	19	15-7e	15-4	15-7
	6	15-7	15-5	15-5
	76		1.65	15-3
		HOLIDAY		
	23	15-6	15-3	15-6
	26e	15-7	15-4	15-4
	14	15-3e	15	15
	10	15-2	15	15-1
	73		1.55	15-2
	16	15-3	15-2	15-2
	1	15	15	15
	12	14-7e	14-4	14-4
	10	15	14-4	15
	13	15	14-4	14-4
	37		1.55	15-2
	1	14-6	14-6	14-4
	7	15	e 14-5	15
	13e	15-2	15-1	15-1
	4	15-1	15	15
	2	15	15	15
	27		1.58	15-2
	24	15-4e	15-1	15-2
	18	15-5	15-1	15-5
	53	16-3	15-7	16-3
	69e	16-4	15-7	16
	33	16-2	16	16-2
	199		1.70	15-1

$ 1.55

WEST PENN POWER CO
PF, B, 4.25%

	VOL	HIGH	LOW	CLOSE
	e	55		55-4
		HOLIDAY		
		55		55-4
		55		55-4
		55		55-4
	5.00			58-1
		55		55-4
	e	53-4	55	
		53-4	55	
		53-4	55	
		53-4	55	
		53-4	55	
	5.00			58
		53-4	55	
		53-4	55	
		53-4	55	
30e	53-4	53-4	53-4	
	e	53	55	
	6.47			57-7
	e	53-4	55	
		53-4	55	
		53-4	55	
		53-4	55	
		53-4	55	
	6.04			57-7
	e	53-4	55	
		53-4	55	
		53-4	55	
30e	55	55	55	
	5.93			57-6

HOLIDAY

9.25%
• SUSPENDED

WEST PENN POWER CO
PF, C, 4.10%

	VOL	HIGH	LOW	CLOSE
		53-4	55	
		HOLIDAY		
50e	53-4	53-4	53-4	
	e	52-7	53	
		52-7	53-4	
50	5.77			54-2
40e	53	53	53	
	e	52-7	53-4	
		52-7	53-4	
		52-7	53-4	
20	52-7	52-7	52-7	
60	5.81			54-1
	e	52-4	54-4	
20e	53	53	53	
10	53	53	53	
		53	54-4	
		53	54-4	
30	5.78			54-1
		53	54-4	
		53	54-4	
		53	54-4	
20e	52-4	52-4	52-4	
	e	52	54	
20	5.76			54
	e	52	54	
		52	54-4	
		52	54	
120e	52-4	52	52	
		52	54	
120	5.61			55-6

HOLIDAY

9.10%
• SUSPENDED

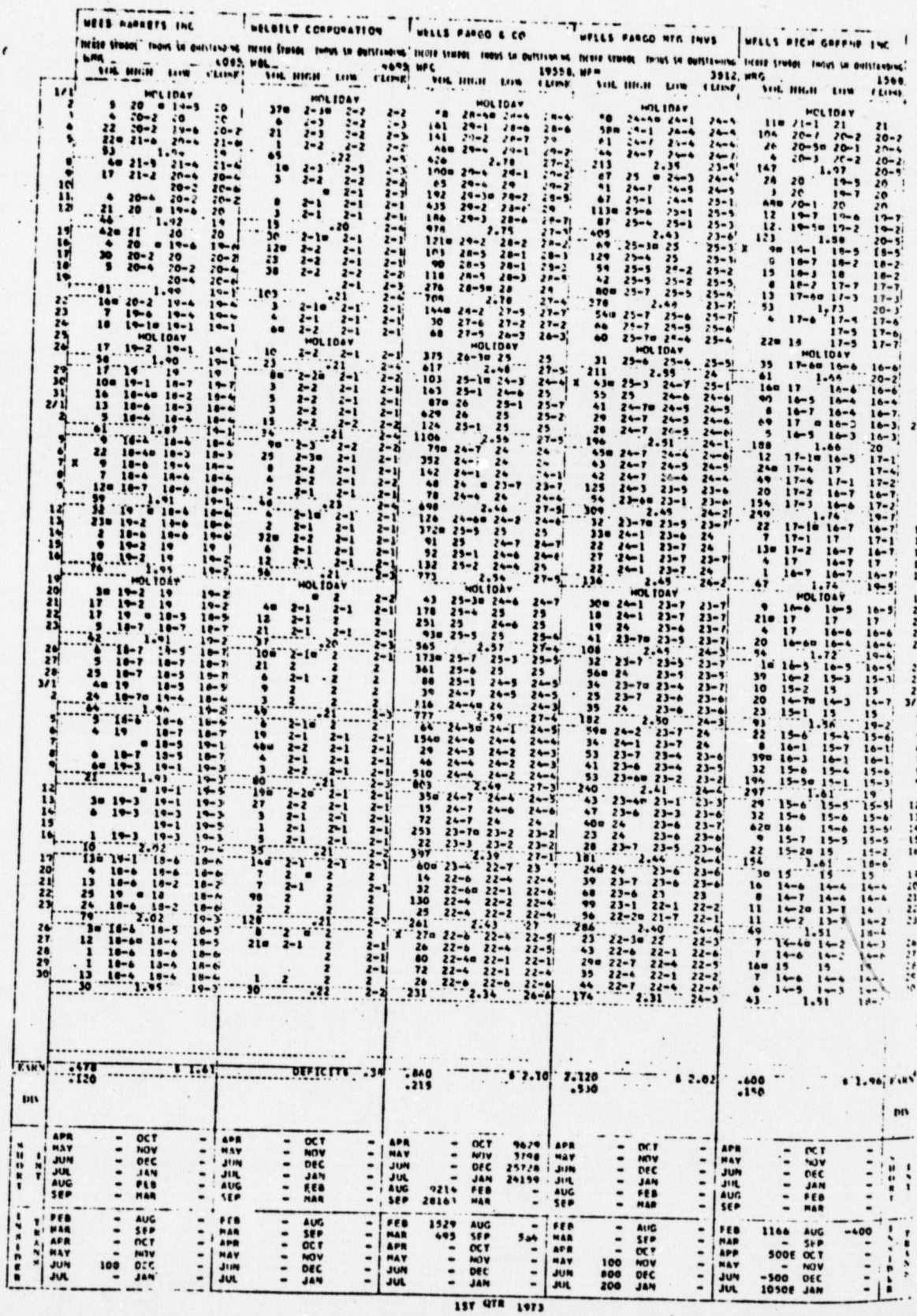
WEST PENN POWER CO
PF, 4.90%

	VOL	HIGH	LOW	CLOSE
3100	61-4e	60-2	61-4	
		HOLIDAY		
210	61	60-3	61	
140	61-2	60-2	60-2	
		60-2	61-2	
680		6.50	62	
210	60-7e	60-2	60-7	
		60-2	60-7	
100e	61	60-7	61	
		60-2	61-2	
		60-2	61-2	
310		6.67	61-7	
150e	61	60-2	60-2	
430	60-2e	60	60	
		60	61-2	
80	61	61	61	
		60	61	
660		6.47	61-7	
160	61	61	61	
400	61-2	61-1	61-2	
180	61-2	60-6	60-6	
100	60-6	60-6	60-6	
	e	60	61-6	
440		6.64	61-6	
130e	61	60-6	61	
	e	60	61-6	
120	61	60-6	61	
1320	61	60	61	
20	60-2	60-2	60-2	
1990		6.58	61-6	
20	60-2e	60-2	60-2	
70	61-6	61	61-6	
180	61	61	61	
230	61-6	61	61-6	
90	61	60-6	61	
590		6.48	61-6	
110e	61	60-2	60-2	
		60-6	61	
190	60-6	60-6	60-6	
90	61	61	61	
90	60-6e	60	60	
600		6.60	61-5	
110e	61	e 60-6	60-6	
10	61	61	61	
70	61	61	61	
		61	62	
100	61	60-6	61	
290		6.66	61-6	
		60-5	61	
350e	61-6	61	61	
100	61	e 60-6	60-6	
240	61-6	61	61	
90	61	61	61	
740		6.36	61-6	
		HOLIDAY		
370	61	61	61	
720	61-6e	60-1	61-6	
190e	61-6	61	61	
70	61	60-1	60-1	
1350		6.32	61-3	
80e	61	61	61	
100	61	e 63-1	61	
100	61	61	61	
50	60-1	60-1	60-1	
60	60-6	60-6	60-6	
840		6.26	61-2	
		60-6	61	
810e	61	60	60	
170	60	e 59	59	
270	60	59	59	
250	60	59-6	60	
1500		6.22	61-1	
	e	59	60	
		59	60	
		59-6	60	
260e	60	60	60	
680	60	59-6	60	
940		6.39	61	

9.50%
1.125

SHORT INT	OCT	-	APR	-		
	NOV	-	MAY	-		
	DEC	-	JUN	-		
	JAN	-	JUL	-		
	FEB	-	AUG	-		
	MAR	-	SEP	-		
INSIDERS	AUG	-	FEB	-		
	SEP	-	MAR	-		
	OCT	-	APR	-		
	NOV	-	MAY	-		
	DEC	-	JUN	-		
	JAN	-	JUL	-		

	WELLS RICH GREENE INC				WESCO FINANCIAL CORP				WEST PENN POWER CO				WEST POINT PEPPERELL				WESTCOAST TRANS			
	Price trends Index to outperform mkt 1815				Price trends Index to outperform mkt 455			2260	Price trends Index to outperform mkt 450			747	Price trends Index to outperform mkt 4950				Price trends Index to outperform mkt 4441			
	VOL	HIGH	LOW	CLOSE	VOL	HIGH	LOW	CLOSE	VOL	HIGH	LOW	CLOSE	VOL	HIGH	LOW	CLOSE	VOL	HIGH	LOW	CLOSE
10/2	7	23-4	20-3	20-4	5	16	15-7	16	140	59-4	57-4	59-4	35	25-2	25	25-2		24-3	23-4	10/2
3	2	23-7	20-6	20-7	12	16-1	15-7	15	40	59-6	59-6	59-6	25	25-1	25	25		24-3	23-4	3
4	30a	21	20-9	20-9	39a	16-2	15-7	16	220	59-4a	59	59	20	25-2	24-7	25-2	1	24-6	24-6	4
5	2	20-4	20-3	20-3	15	16-1a	15-6	15-6	450a	60	59-4	60	72a	25-5	25-2	25-3	1a	27	27	29	5
6	4	20	19-7	19-7	28	16-2	15-6	16-1			59	61	19	25-2a	24-5	24-6	2	29	27-6	24-5	6
	90		2.13	21-7	49		1.64	15-1	450		6.24	60-7	171		2.45	24-4	4		3.03	24-4	
9	1a	19-4	19-4	19-4	17a	16-3	15-7	16-1	400	59-4	59-4	59-4	17	25	24-7	25				25-4	9
10	6	19-5	19-3	19-3	11	16-2	16-1	16-1	180	59-4a	59	59-4	38a	25-6	25-1	25-4				25-4	23-7	10
11	9	19-4	19-1	19-1	14	16	15-6a	15-7	60	59-4	59-4	59-4	5	25-3	25-2	25-2	11a	28-4	28-1	28-1	11
12	7	19-1	18-7	18-7	27	16	15-2	16	110	59	59	59	19	25-4	25-3	25-4	2	28-1	28-1	28-1	12
13	15	18-4a	18-4	18-4	20	16	16	16	100	59	59	59	17	25-4	25-3	25-3	36	28	26-2	26-7	13
	39		2.00	21-6	91		1.69	15-1	510		6.24	60-6	94		2.70	24-4	49		2.99	27-3	
16	1	19-6	18-6	19-5	24	16	15-7	15-7	320	59-2a	59	59	66	25-4a	25-1	25-1	21a	26-2	24-6	24-6	15
17	303	18-5	18-5	18-5	23	16-2	15-7	16-2	150	59-4	59-4	59-4	19	25-3	25-1	25-1	4	24-2	24-2	24-2	17
18	3	18-6	18-6	18-6	65a	16-7	16-3	16-5	40	60	60	60	2	25-6	25-2	25-2	2	24	24	24	18
19	17a	18-7	18-5	18-5	30	16-6	16-1	16-5	30	59-2	59-2	59-2	32	25-5	25-1	25-3			23-6	24-2	19
20	8	19-4a	18-5	18-5	20	16-4	16-2	16-4	500a	60-4	59-4	59-4	22	25-5	25-3	25-5	4	23-6	23-4	23-6	20
	332		1.98	21-5	162		1.77	15-1	1040		6.32	60-4	161		2.70	24-5	31		2.58	29-2	
23	25a	18-7	18-4	18-4	5	16-6a	16-4	16-6	200	60-4	60-4	60-4	69	27	25-7	27			23-4	24	23
24	7	18-4	18-2	18-2	23	16-6	16-4	16-4	740	59-4a	59	59	96	27-4	26-5	27-4	11	23-4	23-4	23-4	24
25	2	18-2	18-2	18-2	71	17-4	16-4	17-4	440	60	59	59	34a	27-6	27-2	27-3	5	23-4a	23	23	25
26	1	18-1a	18-1	18-1	78a	18	17-3	17-6	100	59-4	59-4	59-4	62	27-3	26-6	27-1	37	23-6	23	23-6	25
27	7	18-3	18-1	18-1	39	18	17-6	17-7			59-2	60	15	27	26-7	27	14a	24-4	24	24-4	27
	42		1.94	21-4	218		1.90	15-2	1300		6.38	60-4	238		2.91	24-6	67		2.54	29	
30	20	18	17-4	17-4	21	17-7	17-4	17-4	190a	60	59-2	60	38	27	26-7	27	5a	24-6	24-4	24-5	30
31	11	17-6a	17-3	17-4	14	17-7	17-6	17-7	90	60	60	60	58	27-3a	26-5	27-3	8	24-2	24	24	31
11/1	14	18	17-7	18	33	17-6a	17-1	17-4	610	60	60	60	141	28	27-5	28	3	24-3	24-3	24-3	11/1
2	97a	18-2	18	18-2	43	17-5	17-1	17-1			59-2	61	175	28-3	28	28-3	4	24-1	23-7	23-7	2
3	92	19-2	17-7	18-1	101a	18	17-3	18	720	60	59-2	59-2	230a	28-7	28-3	28-6	6	23-7a	23-6	23-6	3
	194		1.91	21-4	214		1.80	15-2	1610		6.41	60-4	642		2.98	24-7	26		2.51	28-7	
6	42a	18-4	18	18	59	18	17-3	17-6	210	60	59-2	60	206	29-5	29	29-4	10	23-6	23-5	23-5	6
7			HOLIDAY				HOLIDAY				HOLIDAY				HOLIDAY				HOLIDAY		7
8	9	18	17-6	17-6	35	17-7	17-6	17-5	1040	60	60	60	115a	29-6	29	29-2	30	23-6a	23-3	23-3	8
9	5	17-3a	17-3	17-3	33	16	17-5	18	160a	61	60	61	67	28-7a	28-4	28-6	15	23-4	23-3	23-4	9
10	16	17-4	17-3	17-3	111a	18-6	18	18-3	420	60	59-2	60	269	29-4	28-6	29-4	11a	23-7	23-3	23-7	10
	72		1.78	21-3	238		1.84	15-3	1830		6.26	60-4	653		2.95	29	66		2.41	29-5	
13	10	17-3	17-2	17-2	17a	18-5	18-3	18-4	690a	61	60	60	173	30	29-5	30	6	24-4a	24-1	24-4	13
14	30	17-2a	16-6	16-6	45	18-4	18-1	18-3	320	61	59	60	173	30-7	29-5	30-7	7a	25	24-6	24-6	14
15	72	17	16-6	16-7	27	18-3	18	18	590	60-2	60	60	112a	31-3	30-5	30-5	9	24-5	24-3	24-5	15
16	225	16-2	17-2	18-2	23	17-3a	17-6	18-3	250	60	60	60	96	30-6	30	30	1	24-7	24-7	24-7	16
17	113a	18-7	18-3	18-7	51	18-4	18-1	18-3	770	60	59-6	60	203	30-2	29-5	30	5	24-5	24-5	24-5	17
	490		1.84	21-2	163		1.85	15-3	2620		6.07	60-4	757		3.03	25-2	24		2.51	25-4	
20	19a	19	18-3	18-7	39	18-6a	18-2	18-6	140	61	60-4	60-4	63	30-2a	29-7	30	1	24-5	24-5	24-5	20
21	2	18-6	18-6	18-6	106a	19	18-5	19	320a	62	61	62	23	30-6	30	30-6	7a	24-7a	24	24	21
22	13	18-6a	18-3	18-3	31	19	18-6	18-7	600	61-4	61	61	153a	31-7	30-4	31-6	3	24-2	24	24-2	22
23			HOLIDAY				HOLIDAY				HOLIDAY				HOLIDAY				HOLIDAY		23
24	17	18-5	18-4	18-4	29	18-7	19-4	18-4	370	61	60-4	60-4	38	31-6	31-3	31-3	7	24-5	24-3	24-5	24
	91		1.86	21-1	201		1.86	15-4	1430		6.02	60-4	277		3.12	29-4	13		2.45	29-2	
27	19	18-4	18-1	18-2	55a	19-2	18	18-2	810	61	60-4	60-4	34a	31-3	31	31-1	2a	24-4	24-4	24-4	27
28	19	18-4	18	18-4	12	18-2	17-7	17-7	50	61	61	61	40	31	30-2	30-2	2	24-4	24-2	24-2	28
29	64	18-3a	17-7	18-3	23	18-1	17-6	18	340	61-4	60-4	60-4	157	30-2	29-4	29-4	3	24-2	24-1	24-1	29
30	8	18-4	18-2	18-4	18	18-2	17-7	17-7	30	61	61	61	43	29-7a	29	29-4			24	24-3	30
12/1	129a	19-4	18	19	22	19-2a	17-5	18-2	100a	62	62	62	52	29-5	29	29	6	24-3	23-1	24-1	12/1
	239		1.81	21	110		1.75	15-4	1380		5.97	60-5	326		2.89	29-5	13		2.33	28-1	
4	36	19-1a	19-1	19-2	24a	18-2	17-5	17-5	90	62-4	62-4	62-4	55	29-4	29	29-4	3	24-3	24-1	24-1	4
5	72	19-3	19-2	19-3	13	17-5	17-3	17-5	100	63	62-4	63	35	29-3	28-6	29-6			24	24-3	5
6	303	20-4	19-2	20-3	20	17-4a	17-1	17-1			61-6	63	31	29-3a	28-5	29-3			24-1	24-3	6
7	44	20-6	20-4	20-6	19	17-6	17-1	17-6	260a	64	63	63	84	30-2	29-3	30-2	3	24-1	24-1	24-1	7
8	35a	21	20-5	20-7	19	17-7	17-3	17-3	200	63-4	62	63-4	68a	30-3	30-1	30-1	45a	24-5	24	24	8
	492		2.03	21	95		1.74	15-5	830		6.18	60-5	293		2.97	25-7	31		2.36	27-7	
11	25a	21-2	21	21	35a	17-3	16-5	16-5	90a	64	63-4	64	67	30-6	30-1	30-4			24	24-3	11
12	24	21-1	21	21	15	16-6	16-5	16-6			63	64-4	176	30-5	30-3	30-4	4	24-1	23-6	24	12
13	20	21	20-4	20-7	16	16-5	16-3	16-5	40	64	64	64	153a	31-3	30-4	30-7	1	23-6	23-6	23-6	13
14	11	22-6	20-6	20-6	19	16-3a	16-1	16-3	120	64	64	64	62	31-3	30-2	30-5			23-4	24	14
15	20	20-7	20-5	20-5	14	16-3	16-1	16-3	210	63-2	63-2	63-2	413	30-6a	30	30-3	43a	25-6	24-1	25-3	15
	100		2.00	20-7	99		1.58	15-5	460		6.19	60-6	871		2.96	25-2	48		2.32	27-4	
18	17	20-4	20	20	10	16-3a	16-1	16-1	170a	64	63	63	35	30-2a	29-6	30	14a	25-5	25-4	25-4	18
19	16	19-7a	19-4	19-4	15	16-3	16-1	16-3	240	61	60-4	60-4	49a	30-5	30-1	30-4	12	25-4	25-3	25-3	19
20	78a	21-2	19-7	21	11a	16-4	16-2	16-2			60-4	62	18	30-5	30-1	30-1	7	25-3	25	25-1	20
21	12	21-1	20-6	20-6	16	16-3	16-1	16-3	130	60-4	60-4	60-4	12	30-2	30	30	7	25-2a	24-6	24-6	21
22	48	21	20-4	20-4	8	16-2	16-1	16-1	10	60-4	60-4	60-4	9	30-2	29-7	30			24-6	25	22
	171		2.02	20-7	69		1.59	15-5	550		5.90	60-6	123		2.92	28-3	40		2.41	27-5	
25			HOLIDAY				HOLIDAY				HOLIDAY				HOLIDAY				HOLIDAY		25
26	28	20-6a	20-3	20-6	73a	16-3a	16-1	16-1	100	61	61	61	16a	30-2	30	30	3	25	24-6	25	26
27	7	20-6	20-4	20-6	49	16-2	16-1	16-1	20	61-4	61-2	61-4	30	30-1a	29-7	30	4	25-2	25	25	27
28			HOLIDAY				HOLIDAY				HOLIDAY				HOLIDAY				HOLIDAY		28
29	23a	21-1	20-7	21	66	16-2	16-1	16-1	370a	62	61	61	51	30-2	29-7	30-2	7a	25-3	25-1	25-1	29
	58		2.07	20-6	188		1.61	15-6	490		6.15	60-7	97		3.00	28-5	14		2.50	27-4	
EARN	.600			$ 1.86				$ 1.69	4.500				1.000			$ 2.41	.630			$ 1.77	EARN
DIV	.150								1.125				.250				.300				DIV
HIGH/LOW	JAN - JUL				JAN - JUL				JAN - JUL				JAN - JUL				JAN - JUL				HIGH/LOW
	FEB - AUG				FEB - AUG				FEB - AUG				FEB - AUG				FEB - AUG				
	MAR - SEP				MAR - SEP				MAR - SEP				MAR - SEP				MAR - SEP				
	APR - OCT				APR - OCT				APR - OCT				APR - OCT				APR - OCT				
	MAY - NOV				MAY - NOV				MAY - NOV				MAY - NOV				MAY - NOV				
	JUN - DEC				JUN - DEC				JUN - DEC				JUN - DEC				JUN - DEC				
INTRINSIC VALUE	NOV - MAY				NOV 200 MAY -746				NOV - MAY				NOV - MAY				NOV 350 MAY -				INTRINSIC VALUE
	DEC 400 JUN -500				DEC -1171 JUN -1000				DEC - JUN				DEC - JUN				DEC - JUN				
	JAN 2000 JUL -				JAN -2306 JUL -				JAN - JUL				JAN 1000 JUL -				JAN 241 JUL -				
	FEB 1166 AUG -				FEB - AUG -				FEB - AUG				FEB - AUG				FEB - AUG				
	MAR - SEP -				MAR -4423 SEP -				MAR - SEP				MAR - SEP				MAR - SEP				
	APR 5008 OCT -				APR -1105 OCT -				APR - OCT				APR - OCT				APR -3000 OCT -				


WEES MARKETS INC
WELBELT CORPORATION
WELLS FARGO & CO
WFLLS FARGO MTG INVS
WFLLS FTCH GRPHP INC
WESCO PR
HOLIDAY
DEFICITS
EARN
DIV
APR - OCT
MAY - NOV
JUN - DEC
JUL - JAN
AUG - FEB
SEP - MAR
FEB - AUG
MAR - SEP
APR - OCT
MAY - NOV
JUN - DEC
JUL - JAN
1ST QTR 1973

WELLS FARGO & CO					WELLS FARGO MTG INVS					WELLS FIRN GRPFNP INC					WESCO FINANCIAL CORP					WEST PENN POWER CO PF. 4.20				
Trade Symbol WFC	Shares Outstanding 17411				Trade Symbol WFM	Shares Outstanding 1977				Trade Symbol WFG	Shares Outstanding 1760				Trade Symbol WSC	Shares Outstanding 2373				Trade Symbol WSP.P	Shares Outstanding 7125			
	VOL	HIGH	LOW	CLOSE		VOL	HIGH	LOW	CLOSE		VOL	HIGH	LOW	CLOSE		VOL	HIGH	LOW	CLOSE		VOL	HIGH	LOW	CLOSE	
6/27	270	23	22-6	22-6		180	22-7	22-7	22-7		60	14-2	14	14		150	15-3a	15-1	15-1		130a	61	60-2	61	6/2
3	44	22-6	21-6	21-7		26	22-7a	22-5	22-7		3	13-4	13-5	13-5		5	15-1	15-1	15-1				60-3	62	3
4	78	22	21-6	21-7		28	22-7	22-5	22-7		124	13-6a	12	12		9	15-2	15-1	15-1		390	60-3	60-2	60-2	4
5	20	21-7	21-5	21-5		19	22-7	22-5	22-7		33	12-7	12-3	12-6		7	15-1	15-1	15-1		60	60-2	60-2	60-2	5
6	65	22-2a	21-2	22		26	22-7	22-5	22-5		6	12-7	12-5	12-5		4	15-1	15-1	15-1				a 60	61-4	6
	230		2.31	24-3		111		2.47	24-2		267		1.38	18		40		1.63	16		490		6.42	61	
9	8	22-3a	22-2	22-2		28	23	a 22-5	22-7		33	13-2	12-7	13		12	15-2a	15-2	15-2		50	60-2a	60-2	60-2	9
10	84a	22-6	22-3	22-5		19	23-3	23	23-2		24a	13-3	13	13		13	15-6	15-2	15-5		20	60-2	60-2	60-2	10
11	30	22-6	22-2	22-7		29	23-6	23-2	23-6		6	12-7	12-6	12-6		4	15-6	15-4	15-6		33	60-2	60-2	60-2	11
12	25	22-4	22-2	22-6		23a	24-1	23-6	24		11	12-7a	12-2	12-4		9a	16-2	16	16-2		100a	61-4	61-4	61-4	12
13	140	22-4	22-2	22-3		93	23-6	23-3	23-3		20	13-2	12-5	13-1		10	16-1	16-1	16-1				60-4	62	13
	296		2.33	24-2		152		2.48	24-3		94		1.29	17-5		44		1.68	16-1		200		6.37	61	
16	69a	22-4	22-2	22-2		32	23-6a	23-3	23-4		11a	13-3	12-7	12-7		17a	16	16	16		40a	61	61	61	16
17	43	22-3a	22	22		39	23-6	23-4	23-4				12-6	13		3	15-4	15-4	15-4		340	61	a 60-2	60-2	17
18	58	22-3	22-1	22-3		18	23-7	23-4	23-7		10	13-7a	12-5	12-7		7	15-4a	15-1	15-3				60-2	61	18
19	169	22-3	22	22		27a	24	23-6	23-6		7	13	13	13		20	15-3	15-3	15-3				60-2	61	19
20		HOLIDAY					HOLIDAY					HOLIDAY					HOLIDAY					HOLIDAY			20
	209		2.29	26		115		2.46	24-2		29		1.34	17-4		47		1.59	16-1		400		6.13	61-1	
23	10a	22-2	22	22-2		22a	24-2	23-6	24-2		20a	13-3	12-6	12-6				15-2	15-5		20	61	61	61	23
24	18	22-2	22	22		26	24	23-5	23-7	x	20	13	13-6	13		23a	15-3	15-2	15-2		10	61	61	61	24
25	30	21-7	21-3	21-4		26	23-7	23-5	23-5		47	13-1	12-7	12-7		22	15	a 14-7	14-7		100	61	61	61	25
26	45	21-6	21	21		43	23-7	23-4	23-5		10	12-7a	12-5	12-6		25	14-7	14-7	14-7				a 60-4	62	26
27	90	20-5a	19-6	19-6		59	23-6a	23-3	23-4		1	12-5	12-5	12-5		6	15	14-7	14-7		350a	61-2	60-4	61-2	27
	193		2.23	25-6		176		2.51	24-3		107		1.35	17-2		76		1.58	16-1		480		6.61	61-1	
30	183	20-4a	19-6	20-4	x	31	23	22-5	22-5		6	12-6	12-5	12-6		23	14-6	14-4	14-6		90	60-4	60-4	60-4	30
5/1	26	20-5	20-1	20-3		30	23	a 22-1	22-1		47a	13	12-6	12-6		34	14-6a	14-3	14-4		20	61	61	61	5/1
2	57a	21-4	20-3	21-2		24	-3	23	23		12	12-6	12-4	12-4		4	14-5	14-4	14-5		20	60-2a	60-2	60-2	2
3	104	21-4	20-6	21		17	-3	23	23		31	12-6a	12	12-3		6a	15	14-5	15		20	60-6	60-6	60-6	3
4	66	21	20-4	20-6		10	23	22-6	22-6		10	12-5	12-2	12-2		15	15	14-6	14-6		20a	61-4	61-4	61-4	4
	436		2.22	25-4		112		2.43	24-2		104		1.30	17		82		1.58	16-1		170		6.42	61-2	
7	22	21	a 20-7	21		29a	23	22-5	22-6		9a	12-1	12	12-1		16a	14-7	14-5	14-5		20	60-4	60-4	60-4	7
8	26	21-3	21	21-3		46	22-7	22-4	22-7		209	12	11	11-3		a	14-5	14-3	14-3		240a	61	a 60-2	61	8
9	20a	21-4	21-2	21-2		25	22-6	22-4	22-4		22	11-3	10-5	10-5	x	1	14-4a	14-4	14-4				60-2	61-4	9
10	140	21-3	21	21		27	22-6	22-4	22-5		44	10-6	10	10-1		12	14-5	14-5	14-5		220	60-2	60-2	60-2	10
11	36	21-1	21	21		29	22-4a	22-2	22-4		30	10	a 9-6	9-7		23	14-6	14-5	14-5		20	61	61	61	11
	342		2.23	25-3		152		2.40	24-2		314		1.07	16-5		60		1.95	16-1		510		6.41	61-2	
14	41	21-1a	20-5	20-6		25	22-4a	22	22		38	9-7a	9-4	9-6		33a	14-6	14-1	14-1		200a	61	61	61	14
15	229	21-3	20-6	21-3		42	22-3	22	22-2		14	10	9-4	10		19	14-2	14-1	14-2		50	60-2a	60-2	60-2	15
16	125	21-5	21-3	21-4		18	22-4	22-2	22-4		10	10-1	9-7	10		16	14-2	14-2	14-2				60-2	61	16
17	138a	21-6	21-2	21-4		27a	22-5	22-2	22-4		153a	10-2	9-6	10		33	14-2	14-1	14-1		60	61	60-7	61	17
18	15	21-2	21-1	21-1		36	22-2	22	22		4	10-1	9-6	9-6		28	14-1a	13-2	13-2		310	60-6	60-2	60-2	18
	940		2.35	25-1		144		2.46	24-2		219		1.09	16-3		127		1.54	16-1		620		6.69	61-2	
21	54	20-6	20-2	20-4		31a	21-7	21-3	21-3		135	10	a 9-5	9-7		43	13	a 12-7	12-7		170	60-4a	60-2	60-4	21
22	38a	21	20-6	20-6		37	21-3a	20-4	21-6		23	11-2	10-1	11-1		37	13-1	12-7	12-7		110	60-6	60-4	60-6	22
23	74	20-6	20-2	20-6		51	21-2	20-4	20-4		18	11-4	11-1	11-4		104	13-3	13	13-1				60-2	61-4	23
24	169a	20-5a	20	20-4		37	21	20-4	21		45	12-2	11-3	12-2		18	13-2	13	13-2		10	61-4	61-4	61-4	24
25	653	20-7	20-2	20-4		29	21-4	21	21-4		64a	12-7	12-3	12-5		12a	13-4	13-2	13-4		150a	62	61	61	25
	2509		2.21	24-7		185		2.27	24-1		284		1.32	16-1		214		1.41	16		440		6.65	61-3	
28		HOLIDAY					HOLIDAY					HOLIDAY					HOLIDAY					HOLIDAY			28
29	70	21	a 20-4	20-7		8	21-4a	21-4	21-6		11	12-4	12-3	12-4		10	13-4	13-4	13-4				a 60-4	62	29
30	26	21	20-5	20-5		24a	21-7	21-6	21-7		18a	12-5	12-2	12-2		4	13-4	13-4	13-4				60-4	61	30
31	90a	21-1	20-5	20-7		15	21-7	21-5	21-5		14	12	11-7	12		91a	13-6	13-4	13-6				60-4	61	31
6/1	60	20-7	20-4	20-6		12	21-7	21-5	21-6		11	11-7a	11-5	11-5		36	13-4a	13	13				60-4	61	6/1
	206		2.31	24-6		59		2.39	24		54		1.33	15-7		141		1.52	15-7				6.76	61-3	
4	29	21	a 20-5	20-7		20	21-6	21-5	21-6		6a	11-4	11-4	11-4		23	13	13	13				a 60-4	61	4
5	43	21-3	20-6	21-2		25	21-7	21-5	21-5		13	11-2	11	11		19a	13-2a	12-6	12-6		140	60-4	60-4	60-4	5
6	82	21-5	21	21-5		16	21-7a	21-4	21-5		7	10-7a	10-5	10-5		2	12-6	12-6	12-6				61	62	6
7	31	21-7	21-3	21-7		18	22	21-5	21-7		5	11	10-7	11		7	13-2	13	13-1		120a	62	62	62	7
8	44a	22-5	21-6	22-5		21a	22-2	21-6	22-2		3	11-3	11-1	11-3		3	13-1	13-1	13-1		100	62	62	62	8
	229		2.40	24-6		100		2.40	22-7		34		1.20	15-8		59		1.44	15-7		360		6.81	61-3	
11	21	23-2a	22-4	23-2		10	22-4	22-1	2				11-2	11-4		4a	13-3	13-1	13-1		50	61	a 61	61	11
12	23	23-6	23-4	23-4		33	22-5	22-1	-5		1a	11-5	11-5	11-5		14	13-1a	13	13		10	61-4	61-4	61-4	12
13	128	24	23-1	24		26a	22-7	22-4	2-4		28	11-5a	11	11		7	13-1	13-1	13-1		30a	62	61-2	61-2	13
14	32a	24-1	23-5	23-7		30	22-5	22-1	22-1		13	11-4	11-2	11-4		10	13-2	13-2	13-2		40	62	62	62	14
15	22	24	23-5	23-7		33	22-2a	21-7	22		3	11-2	11-1	11-1		6	13-3	13-1	13-1		270	62	61-2	61-2	15
	226		2.44	24-4		132		2.49	23-6		49		1.27	15-4		41		1.46	15-6		350		6.86	61-4	
18	99a	24-4	23-7	23-7		23	21-7	21-6	21-7		5	10-7	10-6	10-6		13a	13-1	13	13-1	x	130	61	61	61	18
19	30	24-3	24	24-1		16	21-6	21-4	21-5		9	10-6	10-5	10-5		3	13	12-6	12-6		70a	61-1	61-1	61-1	19
20	54	24-3	23-7	23-7		28a	22-2	21-5	22		45	10-5	10-4	10-5				12-4	13		200	61	60-2	60-2	20
21	19	23-7	23-4	23-4		19	21-7	21-5	21-7		11	10-4a	10-3	10-3		14	12-5	12-1	12-1				a 60	61	21
22	18	23-6a	23-2	23-2		15	21-7a	21-3	21-6		43a	11	10-4	10-6		3	12	a 12	12		290	61	60-2	61	22
	222		2.65	24-3		101		2.50	23-5		113		1.18	15-2		37		1.38	15-4		690		6.98	61-4	
25	67	23	22-6	23	x	14	21-4	21-2	21-3		12a	10-5a	10-3	10-3		5a	11-7	11-5	11-5				60-2	61-2	25
26	26	22-6	22-1	22-3		27	21-4a	21-1	21-3		7	10-5	10-3	10-4		8	11-7	11-5	11-5		130	61	a 60	60	26
27	12	22-2a	22	22-2		13a	21-6	21-2	21-6		12	10-5	10-4	10-5		7	11-6	11-5	11-5		420a	61-2	61-2	61-2	27
28	9	22-6	22-2	22-6		14	21-6	21-3	21-5		5	10-4	10-3	10-3		10	11-5	11-2	11-3				60-2	61-4	28
29	207a	23-3	22-4	23-3		5	21-5	21-4	21-5		6	10-5	10-4	10-5		4	11-3a	11-1	11-1				60-2	61-4	29
	321		2.54	24-1		73		2.41	23-6		62		1.19	15		34		1.27	15-2		550		6.87	61-4	
EARN	.860			$ 2.18		2.100			$ 2.13		.600			$ 2.01		.400			$ 1.87		4.500				EARN
	.215					.540					.150					.100					1.125				
DIV																									DIV
	JUL	-	JAN	24159		JUL	-	JAN	-		JUL	-	JAN	-		JUL	-	JAN	-		JUL	-	JAN	-	
	AUG	9214	FEB	-		AUG	-	FEB	-		AUG	-	FEB	-		AUG	-	FEB	-		AUG	-	FEB	-	
	SEP	28163	MAR	19168		SEP	-	MAR	-		SEP	-	MAR	-		SEP	-	MAR	-		SEP	-	MAR	-	
	OCT	9429	APR	21168		OCT	-	APR	-		OCT	-	APR	-		OCT	-	APR	-		OCT	-	APR	-	
	NOV	3798	MAY	10404		NOV	-	MAY	-		NOV	-	MAY	-		NOV	-	MAY	-		NOV	-	MAY	-	
	DEC	25728	JUN	-		DEC	-	JUN	-		DEC	-	JUN	-		DEC	-	JUN	-		DEC	-	JUN	-	
	MAY	-	NOV	825		MAY	100	NOV	-		MAY	-	NOV	-		MAY	-746	NOV	-2709		MAY	-	NOV	-	
	JUN	-	DEC	14497		JUN	800	DEC	100		JUN	-500	DEC	-600		JUN	-1000	DEC	-		JUN	-	DEC	-	
	JUL	-	JAN	-		JUL	200	JAN	-		JUL	10:FE	JAN	18078		JUL	-	JAN	54600		JUL	-	JAN	-	
	AUG	-	FEB	2283		AUG	-	FEB	-		AUG	-400	FEB	-		AUG	-	FEB	291657		AUG	-	FEB	-	
	SEP	364	MAR	-		SEP	-	MAR	-		SEP	-	MAR	-		SEP	-1000	MAR	-		SEP	-	MAR	-	
	OCT	-	APR	-		OCT	-	APR	-		OCT	-200	APR	-		OCT	-	APR	-		OCT	-	APR	-	

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WELLS FARGO NTG INVS — WELLS RICH GREENE INC — WFSCO FINANCIAL CORP — WEST PENN POWER CO — WEST POINT PEPPERELL

	WELLS FARGO NTG INVS				WELLS RICH GREENE INC				WFSCO FINANCIAL CORP				WEST PENN POWER CO				WEST POINT PEPPERELL			
	INCMD STKBK TODAY TO OUTSTANDING				INCMD STKBK TODAY TO OUTSTANDING				INCMD STKBK TODAY TO OUTSTANDING				PF 4.50% INCMD STKBK TODAY TO OUTSTANDING				INCMD STKBK TODAY TO OUTSTANDING			
	WFN — 3872				WFG — 1568				WSC — 2373				WPN — 7124				WPP — 4752			
	SOL	HIGH	LOW	CLOSE	SOL	HIGH	LOW	CLOSE	SOL	HIGH	LOW	CLOSE	Z SOL	HIGH	LOW	CLOSE	SOL	HIGH	LOW	CLOSE
7/2	18e	21-3	21-1	21-1	2e	10-7	10-4	10-5	7	11	10-7	10-7			60-2	61-4	9e	22-2	22-1	22-1
3	47	21-2	20-7	21-2	16e	10-5	10-3	10-5	15e	11-2	10-5	11	100e	60-4	60-4	60-4	22	22-1	21-5	21-5
4		HOLIDAY				HOLIDAY				HOLIDAY				HOLIDAY				HOLIDAY		
5	27	21-1	21	21-2			10-4	10-6	12	10-7	10-5	10-6	100	60-4	60-4	60-4	13	21-4	21-1	21-1
6	44	21-3e	20-6	21-2	63	10-7e	10-2	10-2	4	10-5e	10-4	10-5		e	60	61	19	21-4e	20-6	20-6
	114	2.41		22-2	225	1.22		14-6	41	1.21		15	200	6.01		61-4	55	2.44		24
9	29	21-4e	21-2	21-4	2	10-2e	10-2	10-2	3	10-6e	10-5	10-5	400	A1	A1	A1	29	20-6e	20	20-6
10	39		21-7	22-3	6	10-1	10-4	10-7	2	11	10-7	11	100	61	61	61	55	20-3	20	20-2
11	33e	22	22	22	30e	11-6	11	11-6	9	11-6	11-2	11-6	100	61	61	61	67e	21	20-7	20-5
12	41	21-7	21-6	21-7	7	11-6	11-5	11-5	13	12-2	11-7	12-2	80	60-4e	60-4	60-4	9	21	20-7	21
13	36	22-1	21-6	21-6	21	11-3	11	11	12e	12-5	12	12-2	50	61	61	61	46	21	20-7	21
	177	2.42		23-1	66		1.28	14-4	39		1.35	14-7	370		6.70	61-7	207		2.32	23-5
16	17	22-2e	21-6	22-1	3	11-2e	11	11-2	5	12	11-7	12	30e	61	61	61	13	21	e 21	21
17	37	22-2	21-7	21-7	19	11-4	11-3	11-3	21	12-2e	11-6	12-2	70	61	61	61	69	21-3	21	21-3
19	32	22-4	21-7	22-4	21	11-7	11-3	11-7	8	12-4	12	12-4	100	60-5e	60-5	60-5	13	21-5	21-1	21-5
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20	3e	22-7	22-3	22-5	10e	12-1	11-6	12-1	2	12-4	12-4	12-4			60-5	61-4	20	22	21-2	21-5
	136	2.50		23-1	92		1.26	14-2	93		1.37	14-6	290		6.68	61-2	146		2.37	23-1
23	228	22-7	22-5	22-7	44	12-2e	12-3	13-2	1	12-4e	12-4	12-4			e 60-7	61-4	25	22-2e	21-2	22-2
24	41	22-7	22-3	22-7	19	13-4	13-2	13-4			12-4	12-6			60-5	61-4	13	22-2	22	22
25	88	22-4	21-7	22-2	16	13-4	13-3	13-4	7	12-6	12-4	12-5			60-5	61-4	52	22-4	22-2	22-4
26	35	22-2	21-6	21-6	27	14	12-5	14	1	12-4	12-4	12-4	100e	62		61-4	62	62e	23-2	22-4
27	35	22	e 21-4	21-5	16e	14-2	14	14-2	15e	13	12-5	13	10	61-2	61-2	61-2	18	22-4	22-2	22-2
	221	2.32		23	122		1.49	14	24		1.33	14-5	110		6.63	61-3	176		2.42	23-1
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31	27	21-3	21-1	21-2	7	14-1	13-6	13-6	2e	12-7	12-5	12-7			60-6	62	23e	22-4	22-1	22-1
8/1	22	21-3	21	21-1	9	13-5	13-3	13-4	8	12-5	12-5	12-5	200e	61	60-7	60-7	28	22-4	22-1	22-1
2	25e	21-5	21-1	21-3	4	13-4e	13-2	13-4	20	12-5e	12-3	12-4	90	60-7	60-6	60-6	16	22	22	22
3	18	21-4	21-1	21-1	2	13-2	13-2	13-2	2	12-4	12-4	12-4	90	60-6	60-6	60-6	8	21-6e	21-4	21-4
	119	2.36		22	31		1.48	13-6	61		1.37	14-5	380		6.67	61-3	85		2.41	23-7
6	115e	21-2	19-3	19-3	8	13-3	12-7	13	9	12-4	12-4	12-4	120e	61	60-6	61	22	21-6	21-3	21-3
7	86	19-3e	18-6	19-1	4	13-2	13	13-2	5e	12-6	12-4	12-6			60-6	61-4	37	21-7e	21-2	21-7
8	34	19-2	19	19-2	1	13	13	13	5	12-6	12-5	12-5	100	61	60-6	60-6	145	24-4	21-6	24-4
9	93	19-2	18-7	19-2	3e	13-3	13-2	13-3	6	12-5	12-4	12-4	140	60-6	60-6	60-6	148e	26	25-1	25-7
10	77	19-3	18-6	19	7	13-1	13	13	19	12-3e	12-3	12-3	150	60-6e	60	60	124	25-7	25	25-3
	365	2.13		22-8	23		1.48	13-4	34		1.39	14-4	530		6.71	61-2	477		2.47	23-6
13	37	19-7	18-5	18-7	13e	13	12-4	12-4	3e	12-2	12-1	12-1			e 60	60-4	45	25-5	25-1	25-4
14	96	18-7e	18-4	18-5	10	12-4	12-2	12-2	9	12	e 12	12	60e	60-4	60-4	60-4	63	25-4e	24-6	24-6
15	29	19	18-4	19	1	12-2	12-2	12-2	6	12	12	12			60	60-4	32	25-7	25	25-5
16	33	20	19	19-5	3	12-2e	12-1	12-1			12	12-2	10	60	60	60	28	25-7	25-4	25-4
17	16e	20-2	19-7	20-2	7	12-3	12-1	12-3	4	12	12	12	140	60	60	60	25e	26	25-3	26
	171	2.24		22-5	34		1.38	13-2	18		1.40	14-3	210		6.67	61-2	147		2.42	22-5
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21	11	20-2	19-7	19-7	1	12	12	12	2	11-6	11-4	11-6	170e	60	59	60	26	26-1	25-5	25-7
22	10	19-5e	19-3	19-4			11-7	12	3	11-4	11-3	11-3	160	59	58-7	58-7	17	25-6e	25-3	25-3
23	25	19-6	19-3	19-5			11-7	12	4	11-3	11-1	11-1	20	58-7e	58-6	58-6	34	25-6	25-3	25-6
24	17	19-6	19-3	19-4	2e	11-6e	11-6	11-6	15	11-1e	11	11	70	58-6	58-6	58-6	55	26	25-4	25-4
	83	2.27		22-3	36		1.38	13	52		1.28	14-1	390		6.79	61-1	178		2.47	22-5
27	18	20	e 19-4	19-6	9	11-6e	11-4	11-6	8	10-6	10-5	10-5			e 58-6	60	25	25-4	25	25-4
28	29	19-7	19-5	19-5	1	11-7	11-7	11-7	14	10-6e	10-4	10-6	100	58-7	58-7	58-7	29	25-4	24-6	24-7
29	32	20-1	19-5	20-1	5	11-6	11-6	11-6	13	11-4	11	11-6	100e	60	59-6	60	40	25-2e	24-4	24-4
30	43e	20-3	20	20	4e	12-2	12	12-2	15e	12-1	12	12	150	59	58-6	58-6	12	24-7	24-4	24-7
31	46	20	19-5	19-7	6	12-1	11-7	12-1	4	12	11-7	12			58-6	60	74e	25-6	25	25-4
	168	2.26		22-2	21		1.39	12-7	92		1.39	14	390		6.69	61	180		2.51	22-5
9/3	HOLIDAY				HOLIDAY				HOLIDAY				HOLIDAY				HOLIDAY			
4	19	20-2e	19-6	20-2	4e	12-2	12-1	12-2	7e	12-3	12-2	12-3	70e	60	59-6	60	26	25-7e	25-5	25-7
5	39	20-3	20	20	22	12-2	11-7	12	9	12	e 12	12	90	59	59	59	79e	26-2	25-6	26-2
6	28	20-6	20	20-6	6	12-2	12	12	7	12	12	12	80	59	59	59	38	26-1	25-5	25-7
7	45e	21-4	20-5	21-4	3	11-6e	11-6	11-6	7	12-2	12	12-1	270	59	e 58-6	58-6	22	26	25-6	26
	131	2.30		22-1	35		1.33	12-6	26		1.33	13-7	510		6.44	60-7	163		2.87	22-5
10	144	21-3	21-1	21-3	3e	11-6	11-5	11-5	30e	12-2	12	12-1	150	59	e 58-6	58-6	20e	26	25-5	25-6
11	39	21-2	21	21-2	9	11-3	11-2	11-2	4	12-1	12	12-1	100	58-6	58-6	58-6	30	25-6	25-1	25-1
12	34	21-1	20-5	20-5	1	11-4	11-4	11-4	3	12-1	12-1	12-1			59-2	60	17	25-3e	25	25-2
13	8	20-6	20-4	20-5	13	11-3e	11-1	11-1	7	12-1	11-6	11-6	200	59-4	59	59-4	52	25-6	25-1	25-6
14	29	20-6e	20-1	20-4	17	11-3	11-1	11-3	6	12	e 11-9	11-6	150e	60	60	60	11	25-6	25	25-2
	144	2.34		22	35		1.26	12-4	50		1.33	13-6	600		6.75	60-6	130		2.92	22-6
17	96	20-6e	20	20-3	43	11-4	11-2	11-4	5	12	b 11-6	11-6			59-7	60-4	72e	25-5	25-1	25-2
18	24	20-5	20-2	20-2	9	11-2e	11-1	11-1	2	12	11-6	12	30	58	e 58	59	59	25-1	24-6	25-1
19	26	20-6	20-3	20-6	7	11-4	11-3	11-3	34	12-6	12	12-5	10e	58-6	58-6	58-6	23	25	24-6	24-6
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21	58e	21-2	21	21	21e	12-4	11-7	12-4	10e	13-3	13	13-2	110	58-4	58	58-2	25	25	24-6	25
	391	2.26		21-7	167		1.29	12-3	68		1.41	13-5	450		6.30	60-5	811		2.70	22-6
24	63e	21	e 20-1	20-4	23	13	e 12-8	12-7	10e	13-2	13	13			58-6	59-4	62e	25-2	24-6	25
25	68	20-5	20-1	20-3	17	13	12-6	13	2	12-7	12-6	12-6	100	58-4e	58-3	58-4	52	25	e 24-5	25
26	85	20-4	20-1	20-2	22	13-2	12-7	13-1	11	12-5	12-1	12-1	150e	59-4	59-4	59-4	104	25	24-6	25
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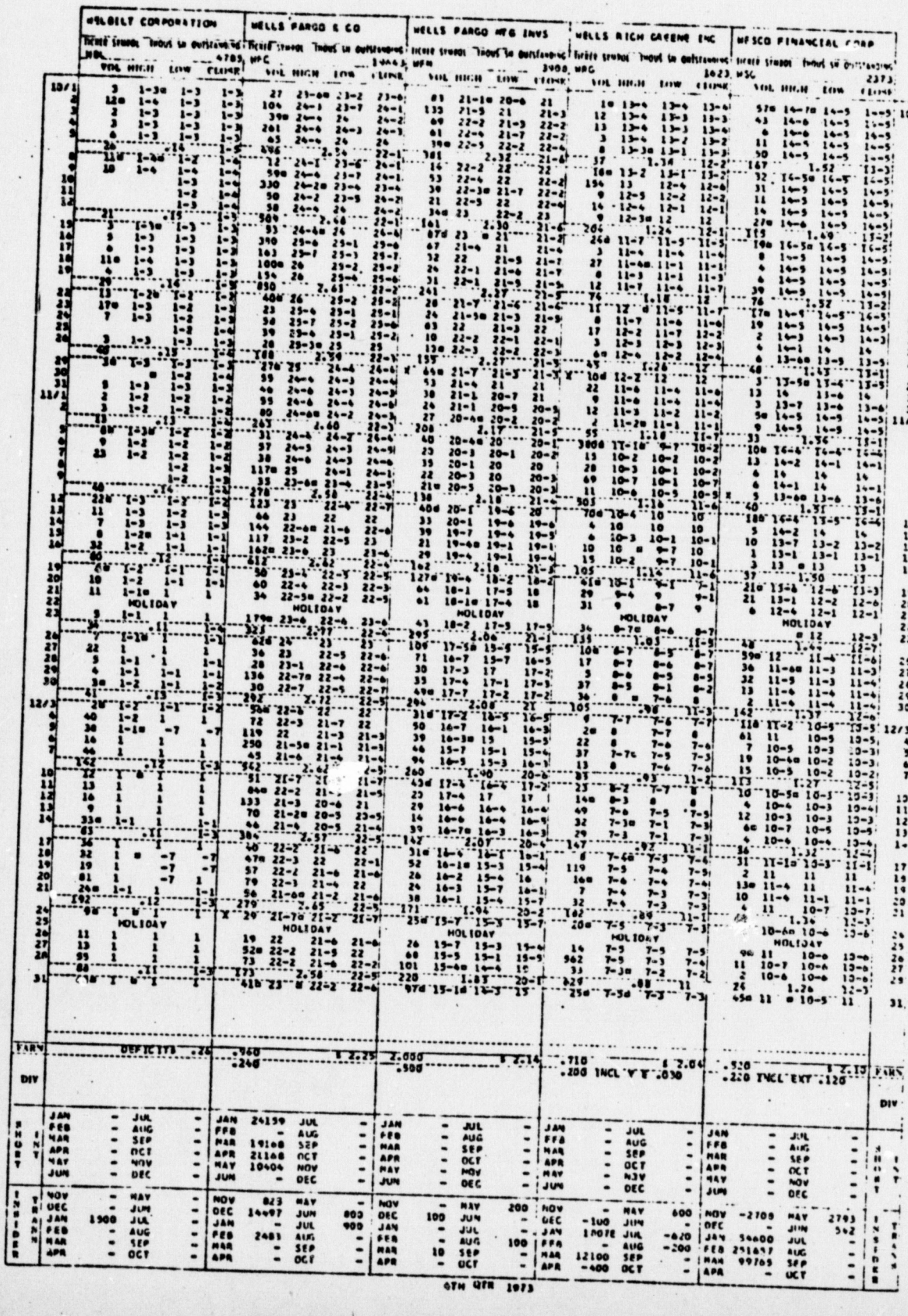
28	46	21	20-5	20-6	14e	13-4	13-2	13-4	8	12-3	12	12-3	20	58-4	58-4	58-4	32	25	24-6	24-7
	340	2.17		21-6	88		1.40	12-2	90		1.23	13-3	570		6.13	60-6	300		2.62	22-7

EARN	2.160			$ 2.20	.60C			$ 2.04	.4C0			$ 2.12	4.500				2.000			$ 3.3e
	.540				.15C				.100				1.125				.300			
DIV																	.2CC YR END DIV			
	OCT	- APR	-		OCT	- APR	-		OCT	- APR	-		OCT	- APR	-		OCT	- APR	-	
H	NOV	- MAY	-		NOV	- MAY	-		NOV	- MAY	-		NOV	- MAY	-		NOV	- MAY	-	
I	DEC	- JUN	-		DEC	- JUN	-		DEC	- JUN	-		DEC	- JUN	-		DEC	- JUN	-	
G	JAN	- JUL	-		JAN	- JUL	-		JAN	- JUL	-		JAN	- JUL	-		JAN	- JUL	-	
H	FEB	- AUG	-		FEB	- AUG	-		FEB	- AUG	-		FEB	- AUG	-		FEB	- AUG	-	
T	MAR	- SEP	-		MAR	- SEP	-		MAR	- SEP	-		MAR	- SEP	-		MAR	- SEP	-	
	AUG	- FEB	-		AUG	-4CC FEB	-		AUG	- FEB	251e57		AUG	- FEB	-		AUG	1CC FEB	2C0	
I	SEP	- MAR	10		SEP	- MAR	12100		SEP	-1000 MAR	99785		SEP	-1000 MAR	99785		SEP	- MAR	-	
N	OCT	- APR	-		OCT	-2CC APR	-400		OCT	- APR	-		OCT	- APR	-		OCT	300 APR	-	
S	NOV	- MAY	-		NOV	- MAY	400		NOV	-2700 MAY	2793		NOV	- MAY	-		NOV	- MAY	3300	
I	DEC	100 JUN	-		DEC	-40C JUN	-		DEC	- JUN	-		DEC	- JUN	-		DEC	-100 JUN	-	
D	JAN	- JUL	-		JAN	18C7E JUL	-		JAN	54400 JUL	-		JAN	- JUL	-		JAN	- JUL	-	
E																				



WELBILT CORPORATION — Index symbol: WBM — 4785 shs
WELLS FARGO & CO — Index symbol: WFC — 19443 shs
WELLS FARGO MTG INVS — Index symbol: WFM — 3960 shs
WELLS RICH GREENE INC — Index symbol: WRG — 1623 shs
WESCO FINANCIAL CORP — Index symbol: WSC — 2373 shs

	WBM VOL	WBM HIGH	WBM LOW	WBM CLOSE	WFC VOL	WFC HIGH	WFC LOW	WFC CLOSE	WFM VOL	WFM HIGH	WFM LOW	WFM CLOSE	WRG VOL	WRG HIGH	WRG LOW	WRG CLOSE	WSC VOL	WSC HIGH	WSC LOW	WSC CLOSE
10/1	3	1-3a	1-3	1-3	27	23-6a	23-2	23-6	83	21-1a	20-6	21	10	13-4	13-4	13-4	57a	14-7a	14-5	14-5	10/1
2	12a	1-4	1-3	1-3	104	24-1	23-7	24-1	135	21-5	21	21-3	12	13-4	13-3	13-3	43	14-6	14-5	14-5	2
3	2	1-3	1-3	1-3	39a	24-4	24	24-2	69	22-2	21-3	22-2	13	13-4	13-3	13-4	6	14-6	14-5	14-5	3
4	3	1-3	1-3	1-3	261	24-4	24-3	24-3	61	22-4	21-7	22-2	3	13-4	13-2	13-2	11	14-4	14-5	14-5	4
5	6	1-3	1-3	1-3	65	24-4	24	24	39a	22-5	22-2	22-4	8	13-3a	13-1	13-3	50	14-5	14-5	14-5	5
	26	.16		1-3	496		2.54	22-1	381		2.32	21-6	37		1.14	12-2	167		1.52	13-3	
8	116	1-4a	1-2	1-4	12	24-1	23-6	24-1	16	22-2	22	22	16a	13-2	13-1	13-2	32	14-5a	14-5	14-5	8
9	10	1-4	1-4	1-4	59a	24-4	23-7	24-1	53	22-4	22	22-2	154	13	12-6	12-6	31	14-5	14-5	14-5	9
10			1-3	1-4	330	24-2a	23-4	23-4	39	22-3a	21-7	22-2	9	12-5	12-2	12-2	11	14-5	14-5	14-5	10
11			1-2	1-4	50	24-2	23-5	24-2	21	22-5	22	22-4	14	12-4	12-1	12-1	14	14-5	14-5	14-5	11
12			1-3	1-4	38	24-4	24	24-2	34a	23	22-2	23	9	12-3a	12	12	27a	14-6	14-5	14-5	12
	21	.15		1-3	589		2.58	22-1	161		2.30	21-6	264		1.24	12-1	115		1.49	13-2	
15	3	1-3a	1-3	1-3	93	24-4a	24	24-4	87d	23	a 21	21-2	26d	11-7	11-5	11-5	19a	14-5a	14-5	14-5	15
16	9	1-3	1-3	1-3	390	25-4	25-1	25-4	67	21-4	21	21-4	3	11-4	11-4	11-4	8	14-5	14-5	14-5	16
17	6	1-3	1-3	1-3	163	25-7	25-1	25-7	32	22	21-5	21-7	27	11-4a	11-1	11-1	4	14-5	14-5	14-5	17
18	11a	1-4	1-3	1-3	100a	26	25-2	25-2	24	22-1	21-6	21-7	8	11-3	11-1	11-3	4	14-5	14-5	14-5	18
19	4	1-3	1-3	1-3	154	26	25-6	25-6	31	22-1	21-5	21-5	12	11-7	11-6	11-7	39	14-5	14-5	14-5	19
	29	.16		1-3	850		2.61	22-2	241		2.27	21-5	76		1.18	12	76		1.52	13-2	
22	13	1-2b	1-2	1-3	48d	26	25-2	25-2	28	21-7	21-6	21-6	11	12	a 11-5	11-7	17a	14-5	14-5	14-5	22
23	17a	1-3	1-2	1-3	23	25-6	25-1	25-1	24	21-5a	21-3	21-5	8	11-7	11-6	11-6	19	14-5	14-5	14-5	23
24	7	1-3	1-2	1-3	58	25-7	25-2	25-6	63	22	21-3	22	17	12-2	11-7	12-2	2	14-3	14-3	14-3	24
25			1-2	1-3	39	25-6	25-1	25-2	10	22-2	22-1	22-1	5	12-3	12-3	12-3	4	14-1	14	14	25
26	3	1-3	1-3	1-3	28	25-3a	25	25	13a	22-3	22-2	22-3	6a	12-4	12-2	12-4	6	13-6a	13-5	13-5	26
29	36	1-3	1-3	1-3	788		2.59	22-3	155		2.27	21-5	43		1.26	12	48		1.43	13-1	
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31	9	1-3	1-3	1-3	99	24-6	24-3	24-4	53	21-4	21	21	22	11-6	11-4	11-6	13	14	13-6	14	30
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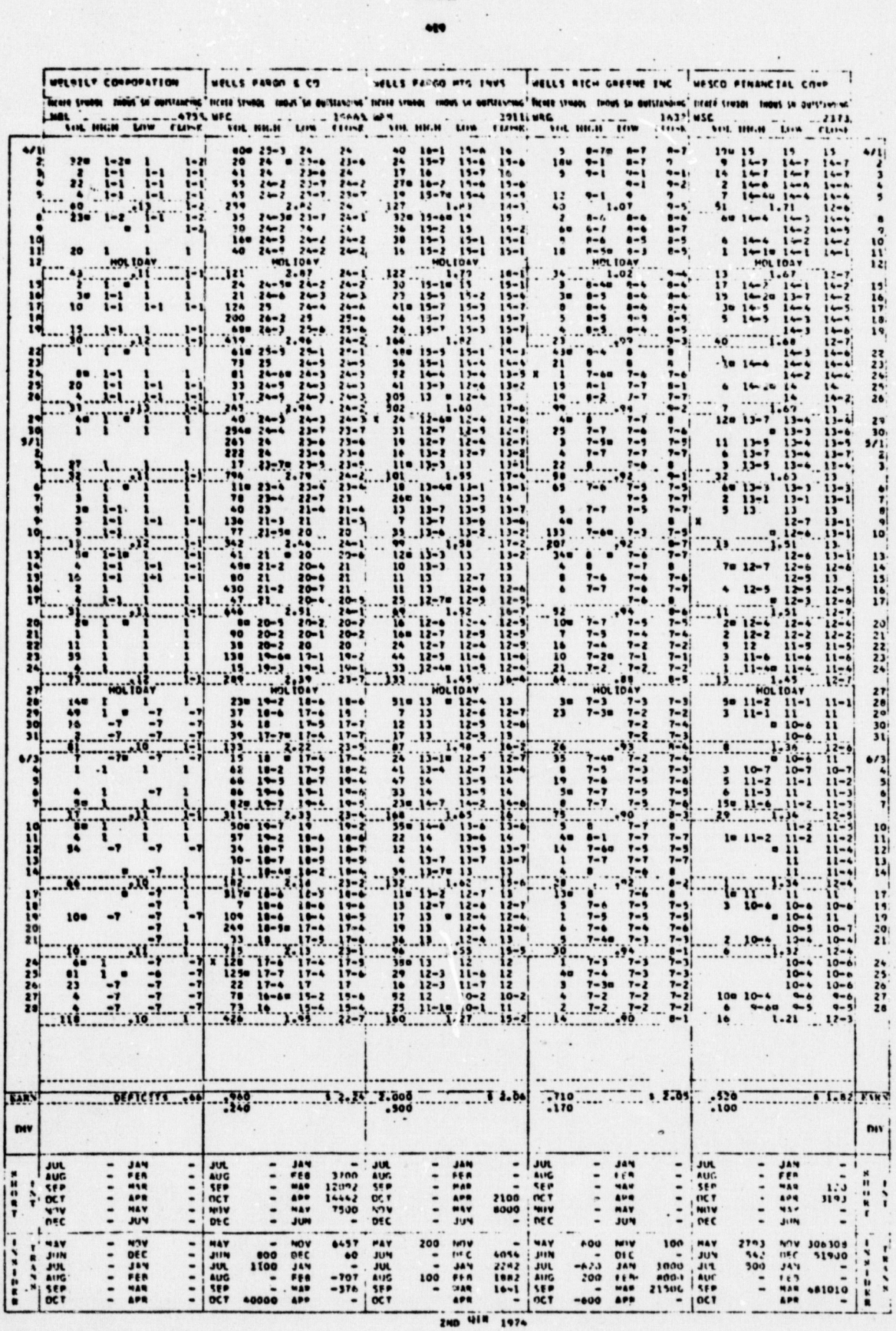
4	3	1-2	1-2	1-3	95	24-6	24-4	24-6	26	21-1	20-5	20-5	12	11-3	11-2	11-2	5a	14-5	14-5	14-5	11/1
	13	.13		1-3	80	24-6a	24-2	24-3	27	20-4a	20-2	20-2	2	11-2a	11-1	11-1	9	14-5	14-5	14-5	
5	88	1-3a	1-2	1-3	265		2.60	22-1	208		2.17	21-5	55		1.18	11-7	33		1.56	13-1	
6	9	1-2	1-2	1-3	31	24-4	24-2	24-4	40	20-4a	20	20-1	300d	11-10	9-7	10-2	10a	14-4	14-4	14-4	5
7	23	1-2	1-2	1-3	57	24-5	24-3	24-5	25	20-3	20-1	20-2	15	10-2	10-2	10-2	13	14-2	14-1	14-1	6
8			1-2	1-3	38	24-6	24-3	24-6	35	20-1	20	20	28	10-3	10-1	10-2	6	14	14	14	7
9			1-2	1-3	117a	25	24-1	24-1	22	20-3	20	20-3	69	10-7	10-1	10-7	6	14-1	14	14-1	8
	40	.16		1-3	33	23-6a	23-4	23-5	21a	20-3	20-1	20-1	11	10-6	10-5	10-5	5	13-6a	13-6	13-6	9
12	226	1-3	1-2	1-3	270		2.58	22-4	138		2.18	21-5	505		1.18	11-6	40		1.51	13-1	
13	11	1-3	1-2	1-3	123	23	22-4	22-7	40d	20-1	19-6	20	70d	10-4	10	10	188	14-4	13-5	14-4	12
14	7	1-3	1-3	1-3	66	23	22	22	33	20-1	19-6	19-6	4	10	10	10	5	14-2	14	14	13
15	8	1-2a	1-1	1-1	144	22-6a	21-6	22-6	39	19-7	19-4	19-5	6	10-3	10-1	10-1	10	13-7	13-2	13-2	14
16	32	1-2	1-1	1-1	117	23-2	22-5	23	21	19-4a	19-1	19-1	10	10	a 9-7	10	1	13-1	13-1	13-1	15
	86	.12		1-4	612		2.62	22-4	162		2.16	21-5	15	10-2	9-7	10-1	3	13	a 13	13	16
19	68	1-2	1-1	1-1	50	23-4	22-7	22-5	105		1.14	11-6	37		1.50	13					
20	10	1-2	1-1	1-1	60	22-4	22-3	22-3	127a	19-4	18-2	18-2	41a	10-1	9-1	9-1	21a	13-4	12-6	13-3	19
21	11	1-1a	1	1	34	22-5a	22-2	22-5	64	18-1	17-5	18	29	9-4	9	9-1	21	13-1	12-2	12-6	20
22		HOLIDAY				HOLIDAY			61	18-1a	17-4	18	31	9	8-7	9	6	12-4	12-1	12-1	21
23	3	1-1	1	1	179a	23-6	22-6	23-6		HOLIDAY				HOLIDAY				HOLIDAY			22
	36	.11		1-4	325		2.57	22-6	43	18-2	17-5	17-5	34	8-7a	8-6	8-7		a 12	12-3		23
26	7	1-1b	1	1-1	62d	24	23	23	295		2.06	21-1	135		1.03	11-5	48		1.44	12-7	
27	22	1	1	1	36	23	22-5	22-6	109	17-5a	15-5	15-5	10d	8-7	8-5	8-7	59a	12	11-6	11-6	25
28	5	1-1	1	1-1	28	23-1	22-6	22-6	71	16-7	15-7	16-5	17	8-7	8-6	8-7	36	11-6a	11-3	11-3	27
29	4	1-1	1-1	1-1	136	22-7a	22-4	22-6	30	17-3	17	17-2	5	8-6	8-5	8-5	32	11-5	11-3	11-4	28
30	3a	1-2	1-1	1-2	30	22-7	22-5	22-7	35	17-4	17-1	17-3	37	8-5	8-1	8-2	13	11-6	11-4	11-4	29
	41	.13		1-3	292		2.72	22-5	49a	17-7	17-2	17-2	36	8	a 7-6	8	2	11-6	11-4	11-4	30
12/3	28	1-2	1-1	1-2	50d	22-6	22	22	294		2.08	21	105		.96	11-3	142		1.37	12-6	
4	40	1-2	1	1	72	22-3	21-7	22	31d	17-2	16-5	16-5	9	7-7	7-6	7-7	118	11-2	10-5	10-5	12/3
5	30	1-1a	-7	-7	119	22	21-3	21-3	50	16-7	16-1	16-3	2a	8	7-7	8	61	11	10-5	10-5	4
6	16	1	1	1	250	21-5a	21-1	21-3	39	16-3a	15	15-5	22	8	7-6	7-6	7	10-5	10-3	10-3	5
7	44	1	1	1	45	21-6	21-6	21-6	46	15-7	15-1	15-4	37	7-7c	7-5	7-5	19	10-4a	10-2	10-3	6
	142	.12		1-3	962		2.62	22-6	94	16-5	15-3	16-1	13	8	7-6	7-6	15	10-5	10-2	10-2	7
10	22	1	a	1	51	21-7	21	21-7	260		1.90	20-6	83		.93	11-2	113		1.27	12-5	
11	13	1	1	1	44a	22-2	21-7	21-7	43d	17-4	16-6	17-2	23	8-2	7-7	8	10	10-5a	10-3	10-3	10
12	16	1	1	1	133	21-3	20-6	21	23	17-4	17	17	14a	8-3	8	8	4	10-4	10-3	10-4	11
13	9	1	1	1	70	21-2a	20-5	20-5	29	16-6	16-4	16-4	49	7-6	7-5	7-5	12	10-3	10-3	10-3	12
14	33a	1-1	1	1-1	46	21-6	20-5	21-6	14	16-6	16-4	16-5	32	7-3a	7-1	7-3	6c	10-7	10-5	10-5	13
	61	.11		1-3	384		2.57	22-5	39	16-7a	16-3	16-3	29	7-3	7-1	7-3	4	10-6	10-4	10-4	14
17	36	1	1	1	40	22-2	21-6	22	147		2.07	20-6	147		.97	11-1	36		1.32	12-4	
18	32	1	a	-7	47a	22-3	22	22-1	31a	16-4	16-1	16-1	6	7-6a	7-5	7-6	31	11-1a	10-3	11-1	17
19	19	1	-7	-7	57	22-2	21-6	21-6	52	16-1a	15-3	15-4	119	7-5	7-4	7-5	2	11	11	11	18
20	81	1	-7	1	79	22-3	21-6	22	26	16-2	15-6	16	16a	7-6	7-4	7-4	13a	11-4	11	11-4	19
21	24a	1-1	1	1-1	56	21-6a	21-2	21-6	24	16-3	15-7	16-1	7	7-4	7-3	7-3	10	11-4	11-1	11-1	20
	192	.12		1-3	279		2.65	22-5	38	16-1	15-6	15-7	32	7-4	7-3	7-3	4	11	10-7	10-7	21
24	98	1	b	1	29	21-7a	21-2	21-7	171		1.94	20-2	162		.89	11-1			1.34	12-3	
25		HOLIDAY				HOLIDAY			25d	15-7	15-3	15-7	20a	7-5	7-3	7-3		10-6a	10-6	10-6	24
26	11	1	1	1	19	22	21-6	21-6		HOLIDAY				HOLIDAY				HOLIDAY			25
27	13	1	1	1	52a	22-2	21-5	22	26	15-7	15-3	15-4	14	7-5	7-5	7-5	98	11	10-6	10-6	26
28	95	1	1	1	73	22-2	21-6	22-2	68	15-5	15-1	15-5	962	7-5	7-3	7-4	11	10-7	10-6	10-6	27
	84	.11		1-3	771		2.58	22-5	101	15-6a	14-6	15	33	7-3a	7-2	7-2	2	10-6	10-6	10-6	28
31	(1a	1	b	1	41b	23	a 22-2	22-6	220		1.83	20-1	829		.88	11	26		1.26	12-3	29
									97d	15-1d	14-3	15	25a	7-3d	7-3	7-3	45a	11	a 10-5	11	31

	WBM	WFC	WFM	WRG	WSC
EARN	DEFICITS .26	.960	2.050	.710	.520
DIV		.240 $ 2.25	.500 $ 2.14	.200 INCL Y E .030 $ 2.04	.220 INCL EXT .120 $ 2.13
SHORT INT	JAN - JUL -	JAN 24159 JUL -	JAN - JUL -	JAN - JUL -	JAN - JUL -
	FEB - AUG -	FEB - AUG -	FEB - AUG -	FEB - AUG -	FEB - AUG -
	MAR - SEP -	MAR 19108 SEP -	MAR - SEP -	MAR - SEP -	MAR - SEP -
	APR - OCT -	APR 21168 OCT -	APR - OCT -	APR - OCT -	APR - OCT -
	MAY - NOV -	MAY 19404 NOV -	MAY - NOV -	MAY - NOV -	MAY - NOV -
	JUN - DEC -	JUN - DEC -	JUN - DEC -	JUN - DEC -	JUN - DEC -
INSIDER TRANS	NOV - MAY -	NOV 823 MAY -	NOV - MAY 200	NOV - MAY 600	NOV -2709 MAY 2793
	DEC - JUN -	DEC 14497 JUN 803	DEC 100 JUN -	DEC -100 JUN -	DEC - JUN 562
	JAN 1900 JUL -	JAN - JUL 900	JAN - JUL -	JAN 19078 JUL -620	JAN 54600 JUL -
	FEB - AUG -	FEB 2483 AUG -	FEB - AUG 100	FEB - AUG -200	FEB 251697 AUG -
	MAR - SEP -	MAR - SEP -	MAR 18 SEP -	MAR 12100 SEP -	MAR 99765 SEP -
	APR - OCT -	APR - OCT -	APR - OCT -	APR -400 OCT -	APR - OCT -

4TH QTR 1973

	WELLS FARGO MTG INVS				WELLS RICH GREENE INC				WESCO FINANCIAL CORP				WEST PENN POWER CO				WEST POINT PEPPERELL			
	INCRE STOCK	SHRS SH OUTSTAND 4/	INCRE STOCK	SHRS SH OUTSTAND 4/	INCRE STOCK	SHRS SH OUTSTAND 4/	INCRE STOCK	SHRS SH OUTSTAND 4/	INCRE STOCK	SHRS SH OUTSTAND 4/	INCRE STOCK	SHRS SH OUTSTAND 4/	INCRE STOCK	SHRS SH OUTSTAND 4/	INCRE STOCK	SHRS SH OUTSTAND 4/	INCRE STOCK	SHRS SH OUTSTAND 4/	INCRE STOCK	SHRS SH OUTSTAND 4/
	2409		NONE		1932		2373		NONE		7424		NONE				NONE			
	VOL HIGH	LOW	CLOSE		VOL HIGH	LOW	CLOSE		VOL HIGH	LOW	CLOSE		Z VOL HIGH	LOW	CLOSE		VOL HIGH	LOW	CLOSE	
1/2	17 19-7a	15	19-7		34 7-9a	7-6	7-6		1 11-1a	11-1	11-1		100 59-4a	59	59		24 24-1a	23-6	23-6	1/2
3	32 17-1	16-1	17-3		46a 8	7-6	7-7		2 11-1	11-1	11-1		130 59-4	59-4	59-4		124a 24-3	24	24-4	3
4	31a 18-6	17-3	18-6		49 8	7-7	8		20 11-1	11-1	11-1			57	59		52 24-5	24-7	24-7	4
	83	1.07	20-1		127	.89	13-7		4	1.24	11-1		143	6.41	59-2		704	2.78	24-6	
7	48a 16-7	15-3	15-5		23 8-7a	7-7	8-1		48 11-4a	11-4	11-4		340a 58	a 57	57		43a 24-4	24	24-4	7
8	19 16-4	15-2	16-2		21 8-1	7-7	8		1 11-4	11-4	11-4			57-2	59-4		81 24-2	23-2	23-2	8
9	10 16-2	15-7	15-1		13a 8-2	8	8-2		2 11-4	11-4	11-4			57-2	59-4		19 23-3	23-3	23-7	9
10	22 15-2	17-6	17-6		26 8-2	8	8-3		7 11-4	11-4	11-4			57-2	59-4		45 22-7a	23-7	23-7	10
11	17 18 a	17-2	17-2		24 8-2	8-1	8-1				11-4		900 57-2	57	57		47 23-4	23-4	23-4	11
	116	2.15	16-7		106	.93	10-6		15	1.39	11-2		843	7.10	59-1		284	2.70	23-7	
14	20 17-6a	17-1	17-6		17 8-4	8-2	8-4				11-4			a 57	58		25 24-6a	23-6	24-6	14
15	29 18-6	17-7	18-4		29 8-4a	8-1	8-4		1 11-6	11-6	11-6		20 57	57	57		21 25	24-4	24-7	15
16	8 18-4	18-4	18-4		10a 8-3	8-3	8-3		8 11-5	11-4	11-4		60 57	57	57		42a 25-7	25-3	25-7	16
17	32a 19	18-2	19-2		24 8-3	8-2	8-3		10a 12	11-4	12		200a 57-4	57-4	57-4		30 25-7	25	25-7	17
18	21 16-1	17-6	17-6		10 8-1	8-1	8-1		2 12	11-6	11-6			57	58-4		10 25-7	25	25-1	18
	106	2.06	15-4		90 .46	10-6	10-6		31	1.37	11-2		287	6.99	58		151	2.96	26	
21	47a 17-4	16-1	16-7		27 9-2a	8-1	8-1				11-4	12	53d 57-4	57-4	57-4	X	19 24-7a	24-3	24-7	21
22	69 17 a	15-5	15-7		91 8-5	8-2	8-2				11-4	11-6	120 57-4	57-4	57-4		83 24-7	24-3	24-7	22
23	32 17-3	16	17-1		29 8-5	8-4	8-4		25a 12-2	11-2	12-2			a 57	57-4		20 25	24	24	23
25	31 16-7	16-2	16-4		70 8-7	8-4	8-4		7 11-2	11-2	11-2		10 57	57	57		31a 25-2	24-6	24-6	24
	204	1.05	15-7		231	1.02	13-1		146	1.27	12-2		281	6.60	58-7		23 24-7	24-6	24-7	25
28	11 16-6d	16-6	16-5		13a 8-6	8-5	8-5		11 11-3b	11-1	11-3		300a 57-4a	57	57		174	2.84	24-1	
29	18 17-3	16-5	17-2		17 8-5	8-3	8-3		6 11-6	11-4	11-6		90 57	57	57		23a 25 a	24-1	24-4	29
30	6 17-5	17-4	17-5		24 8-4a	8-2	8-3		12a 11-7	11-7	11-7		110 57	57	57		6 24-6	24-1	24-6	30
31	23 17-6	17-5	17-5		3 8-4	8-3	8-4		4 11-7	11-6	11-6			57	57		28 24-7	24-4	24-7	31
2/1	21a 17-7	17-4	17-6		11 8-4	8-3	8-3		4 11-5	11-5	11-5			57	57-4		43 25	24-6	24-7	2/1
	74	2.06	16-4		69 .46	10-5	10-5		37	1.37	12-2		460	6.72	58-6		8 25	24-a	24-6	
4	370 17-3	17	17		71 8-3d	8-1	8-5		2d 11-4	11-3	11-3			57	57-4		108	2.90	24-2	
5	29 17	16-2	16-3		89a 8-7	8-4	8-5		13 11-3a	11-1	11-3			57	57-4		45a 24-6	24-4	24-6	4
6	32 16-2	15-2	15-2		1 8-6	8-6	8-6		3 11-2	11-2	11-2		20a 57	57	57		14 24-4a	23-6	23-6	5
7	40 15-7a	15-1	15-7		14 8-6	8-6	8-6		2 11-4	11-4	11-4		100 57 a	56	57		13 24	23-6	24	6
8	28 16-5	16-1	16-3		16 8-6	8-6	8-6		6 11-3	11-2	11-3			56	57-4		14 24	23-6	23-7	7
	186	1.91	15-4		191	1.05	10-4		26	1.38	12-2		120	6.88	58-5		108	2.91	24-3	8
11	150 16-5	15-6	15-6		10 8-7	8-4	8-4	X	1a 11-4	11-4	11-4		110d 57-4	56-6	56-6		9 23-7	23-5	23-6	11
12	24 15-7a	15-5	15-6		7 8-6	8-5	8-6		3 11-4	11-4	11-4		10 56-4a	56-4	56-4		27 23-6	23-3	23-4	12
13	15 16-1	15-6	15-6		17 8-6a	8-3	8-6		a 11-3	11-6				56-4	57-4		19 23-7a	23-2	23-7	13
14	18 16	15-6	15-6		5 8-7	8-6	8-7			11-4	11-6			56-4	57-4		108a 24	23-7	23-7	14
15	24 15-7	15-5	15-5		4a 9	8-7	9		1 11-4	11-4	11-4		100 57-4	57-4	57-4		13 23-7	23-4	23-4	15
	96	1.96	14-1		63	1.00	10-3		9	1.65	12-2		220	7.09	58-4		176	2.66	24-3	
18	HOLIDAY				HOLIDAY				HOLIDAY				HOLIDAY				HOLIDAY			
19	34 16-4a	15-7	16-3		21a 9	8-7	8-7		7 11-4a	11-4	11-6			a 56-4	57-4		11 23-6a	23-4	23-6	19
20	36 16-7	16-1	16-7		7 8-7	8-6	8-6		5 11-5	11-5	11-5			56-4	57-4		44a 24	23-6	24	20
21	18 17-2	16-6	17-2		44 8-6a	8-4	8-6			11-4	11-7			57	58		29 24	23-6	23-7	21
22	36a 17-4	17-2	17-2		9 9	8-5	9		4a 12-1	11-7	12-1			57	58		76 23-7	23-5	23-7	22
	124	2.03	16-7		91	(.0)	10-3		16	1.40	12-2			6.84	58-3		120	2.31	24-4	
25	16 17-4	17	17-4		17 9	8-7	9		7 14 a	14	14			a 57	58		23 23-7a	23-5	23-7	25
26	24 17-4	17-1	17-4		4 9	8-7	8-7		12 14-4	14-2	14-4		20a 58	58	58		19 24-2	24	24-1	26
27	44a 17-7	17-5	17-5		5 9-1	9	9-1		12a 14-9	14-4	14-9			57	59		49 24	23-6	24	27
28	24 17-7	17-2	17-2		9a 9-2	9-1	9-2		83 14-5	14-3	14-5		100 58	58	58		42 24-2	24	24-2	28
3/1	40 17-4a	16-7	17-1		9 9-2	9-2	9-2		5 14-5	14-5	14-5			57	59		63a 24-6	24	24-3	3/1
	168	2.00	16-3		44	1.07	13-1		119	1.69	12-2		170	6.74	58-2		196	2.81	24-6	
4	9 17-1a	17	17-1		38 9-3	9-1	9-3		11 14-2d	14-6	14-6			a 57	58		17 24-7a	24-3	24-7	4
5	11 17-2	17-1	17-2		9 9-3	9-2	9-3		9a 14-7	14-6	14-6		10 57-2	57-2	57-2		70 24-3	23	23-2	5
6	12 17-5	17-4	17-5		40 9-3a	9-1	9-3		8 14-7	14-6	14-6		10 57-2	57-2	57-2		38 23-4	23-2	23-4	6
7	29 17-6	17-3	17-4		13 9-3	9-1	9-1		33 14-6	14-6	14-6		400 58-4	58	58		51a 23-5	23-2	23-3	7
8	18a 17-7	17-6	17-6		11 9-2	9-1	9-1		20 14-9	14-6	14-6			58	59		74 23-3	23-2	23-2	8
	198	2.01	15-5		72	1.06	10		81	1.69	12-3		100	6.78	58-2		290	2.91	24-4	
11	15 17-5a	17-2	17-2		22 9-2a	9-1	9-2		4 14-6	14-6	14-6			a 58	59		34 23-3a	23-1	23-3	11
12	29 17-5	17-3	17-3		19 9-2	9-1	9-1		1 14-6	14-6	14-6		130a 58-6	59-4	58-6		156 23-7	23-4	23-7	12
13	10 17-4	17-3	17-3		91 9-3	9-2	9-3		76a 14-7a	14-4	14-4		20 58	58	58		153a 27-2	26	26-4	13
14	39 17-7	17-3	17-5		60a 9-4	9-2	9-3		5 14-6	14-5	14-6		20 58	58	58		102 26-7	26-4	26-5	14
15	21a 18-1	17-6	18-1		15 9-4	9-2	9-4		3 14-5	14-5	14-5		70 58	58	58		129 27-2	26-5	27-2	15
	176	1.98	16-5		207	1.05	9-7		89	1.65	12-3		240	6.81	59-1		376	2.99	26-6	
18	136 18-1	17-6	18-1		178 9-5	9-3	9-3		18 14-5	14-5	14-4		X	56-4	59		69a 27-3	26-6	26-7	18
19	32 18-1	17-6	17-7		4 9-5	9-4	9-4		2 14-2	14-2	14-2		80 56-4	56-4	56-4		42 26-6	26	26-1	19
20	13 17-6	17-5	17-5		97 9-4a	9	9		18 14-2	13-7	14-2		400 56-4	56	56		27 26-2a	25-6	26-1	20
21	13 17-5	17-5	17-5		12 9-2	9	9		8 14	13-5	13-5			a 55-5	57		120 26-7	26-4	26-7	21
22	18 18 a	17-6	18		90 9-2	9	9-2			a 13-6	13-7		60a 57	56-2	56-2		56 27	25-5	27	22
	89	2.01	16-4		220	1.02	9-6		29	1.59	12-4		440	6.81	58		314	3.04	26-6	
25	176 17-6	17-4	17-4		38 9-2	9-1	9-1		12 13-6a	13-6	13-6		150 56-2a	56	56		54 27-2a	26-7	27	25
26	47 17-6	17-4	17-5		9	9	9-1		26a 15	15	15		600a 57-4	56-4	56-4		85 27-7	27-2	27-7	26
27	33 17-4	17	17		4 9	8-7	8-7		41 15	15	15		30 57-2	57-2	57-2		82a 28	27-2	27-4	27
28	18 16-6	16-1	16-1		11 8-6	8-6	8-6		8 15	15	15		100 57-2	57-2	57-2		24 27-3	27-1	27-1	28
29	26 16-2a	15-7	16-1		6 8-6a	8-5	8-5		20 15	15	15		50 56-2	56-2	56-2		45 27-2	27	27	29
	161	1.98	16-3		26	1.02	9-6		107	1.75	12-5		930	6.70	58		290	3.17	26-6	
EARN	2.000		2.10		.710		2.04		.520		1.95		4.500				2.000		4.55	EARN
DIV	.500				.170				.100				1.125				.500			DIV
MONTHLY	APR - OCT -				APR - OCT -				APR - OCT -				APR - OCT -				APR - OCT -			MONTHLY
	MAY - NOV -				MAY - NOV -				MAY - NOV -				MAY - NOV -				MAY - NOV -			
	JUN - DEC -				JUN - DEC -				JUN - DEC -				JUN - DEC -				JUN - DEC -			
	JUL - JAN -				JUL - JAN -				JUL - JAN -				JUL - JAN -				JUL - JAN -			
	AUG - FEB -				AUG - FEB -				AUG - FEB -				AUG - FEB -				AUG - FEB -			
	SEP - MAR -				SEP - MAR -				SEP - MAR -				SEP - MAR -				SEP - MAR -			
INTEREST	FEB - AUG	100			FEB - AUG	200			FEB 251657 AUG	-			FEB - AUG	-						INTEREST
	MAR 10 SEP	-			MAR 12100 SEP	-			MAR 99765 SEP	-			MAR - SEP	-			FEB 250 AUG	-		
	APR - OCT				APR -400 OCT	-600			APR - OCT				APR - OCT	-			MAR - SEP	-		
	MAY 200 NOV	-			MAY 600 NOV	-			MAY 2793 NOV	306308			MAY - NOV	-			APR - OCT	-		
	JUN - DEC	-			JUN - DEC	-			JUN 562 DEC	-			JUN - DEC	-			MAY 3400 NOV	-		
	JUL - JAN	-			JUL -620 JAN	-			JUL 900 JAN	-			JUL - JAN	-			JUN - DEC	-		
																	JUL 100 JAN	-		



WELDELY CORPORATION — WELLS FARGO & CO — WELLS FARGO MTG INVS — WELLS RICH GREENE INC — WESCO FINANCIAL CORP

Income Stmnt | Index to Outstanding

WBL — 4759 | WFC — 15444 | WFM — 3911 | WRG — 1437 | WSC — 2173

	WBL SHR	WBL HIGH	WBL LOW	WBL CLOSE	WFC SHR	WFC HIGH	WFC LOW	WFC CLOSE	WFM SHR	WFM HIGH	WFM LOW	WFM CLOSE	WRG SHR	WRG HIGH	WRG LOW	WRG CLOSE	WSC SHR	WSC HIGH	WSC LOW	WSC CLOSE	
4/11					600	25-3	24	24	40	18-1	15-4	16	5	8-7@	8-7	8-7	17@	15	15	15	4/11
2		32@	1-2@	1	20	24	23-6	23-6	24	15-7	15-6	15-6	18@	9-1	8-7	9	9	14-7	14-7	14-7	2
3		2	1-1	1-1	41	24	23-6	24	17	16	15-7	16	9	9-1	9-1	9-1	14	14-7	14-7	14-7	3
4		22	1-1	1-1	55	24-2	23-7	24-2	27@	16-7	15-6	15-6				9-1	2	14-6	14-6	14-6	4
5		4	1-1	1-1	43	24-2	23-7	23-7	19	15-7@	15-6	15-6	12	9-1	9	9	7	14-6@	14-6	14-6	5
		60		.13	1-2	299		2.42	24		1.43	14-1	43		1.07	9-5	51		1.71	12-6	
8		23@	1-2	1-1	1-2	35	24-3@	23-7	24-1	32@	15-6@	15	2	8-6	8-6	8-6	6@	14-6	14-5	14-5	8
9				1	1-2	30	24-2	24	24	36	15-2	15	6@	8-7	8-6	8-7			14-2	14-5	9
10						16@	24-5	24-2	24-2	38	15-5	15-1	15-1	9	8-6	8-5	6	14-4	14-2	14-2	10
11		20	1	1	1	40	24-4	24-2	24-2	16	15-2	15-1	15-1	18	8-5@	8-3	1	14-1@	14-1	14-1	11
12			HOLIDAY				HOLIDAY				HOLIDAY				HOLIDAY			HOLIDAY			12
		43		.11	1-1	121		2.07	24-1	122		1.72	18-1	34		1.02	9-4	13		1.67	12-7	
15		2	1	1	1	24	24-5@	24-2	24-2	30	15-1@	15	15-1	3	8-4@	8-4	8-4	17	14-7	14-1	14-2	15
16		3@	1-1	1	1	21	24-6	24-3	24-3	27	15-5	15-2	15-6	3@	8-5	8-4	8-4	15	14-2@	13-7	14-2	16
17		10	1-1	1-1	1-1	124	25	24-4	24-4	41@	15-7	15-3	15-7	8	8-4	8-4	8-4	3@	14-5	14-4	14-5	17
18						200	26-2	25	25-6	46	15-7	15-5	15-7	5	8-5	9-5	8-5	5	14-5	14-3	14-5	18
19		13	1-1	1	1-1	68@	26-3	25-6	25-6	26	15-7	15-3	15-7	4	8-5	8-4	8-5			14-3	14-6	19
		30		.12	1-1	619		2.96	24-2	166		1.82	18	23		.99	9-3	40		1.68	12-7	
22		1	1	1	1	61@	25-3	25-1	25-1	48@	15-5	15-1	15-1	43@	9-4	8	8			14-3	14-6	22
23						78	25	24-5	24-5	56	15-1	14-4	14-4	21	8	8	8	1@	14-4	14-4	14-4	23
24		8@	1-1	1	1	81	24-6@	24-3	24-3	92	14-4	13-4	13-5	1	7-6@	7-6	7-6			14-2	14-4	24
25		20	1-1	1-1	1-1	33	24-5	24-3	24-3	41	13-5	12-6	13-2	15	8-1	7-7	8-1	6	14-2@	14	14	25
26		4	1-1	1-1	1-1	17	24-5	24-3	24-3	30S	13	12-4	13	19	8-2	7-7	7-7			14	14-2	26
		31		.13	1-1	261		2.98	24-2	302		1.60	17-6	99		.99	9-2	7		1.67	13	
29		4@	1	1	1	40	24-5	24-3	24-3	24	13-6@	12-4	12-6	4@	8	7-7	8	12@	13-7	13-4	13-4	29
30		1	1	1	1	254@	24-4	23-7	23-7	31	12-7	12-5	12-7	25	7-7	7-6	7-6		8	13-3	13-6	30
9/11						261	24	23-6	23-6	19	12-7	12-4	12-7	3	7-5@	7-5	7-5	11	13-5	13-4	13-5	9/11
2						222	24	23-6	23-8	16	13-2	12-7	13-2	4	7-7	7-7	7-7	6	13-7	13-4	13-7	2
3		27	1			17	23-7@	23-5	23-5	11@	13-5	13	13-1	22	8	7-6	8	3	13-5	13-4	13-4	3
		32		.11	1	704		2.79	24-2	201		1.65	17-6	98		.92	9-1	32		1.63	13	
6		1	1	1	1	11@	23-6	23-6	23-6	18	13-6@	13-1	13-1	65	7-6	7-5	7-5	6@	13-3	13-3	13-3	6
7		3	1	1	1	78	23-6	22-7	23	26@	14	13-3	14			7-5	7-7	2	13-1	13-1	13-1	7
8		3@	1-1	1	1	40	23	21-6	21-6	13	13-7	13-5	13-7	5	7-7	7-5	7-7	5	13	13	13	8
9		3	1-1	1-1	1-1	13@	21-3	21	21-3	7	13-7	13-6	13-6	4@	8	8	8	X		12-7	13-1	9
10		3	1-1	1	1	77	21-5@	20	20	35	13-6	13-2	13-2	13@	7-6@	7-3	7-5		8	12-6	13-1	10
		13		.12	1-1	542		2.46	24-1	99		1.58	17-2	207		.92	8-7	13		1.51	13	
13		1@	1-1@	1	1-1	41	21	20	20-6	12@	13-3	13	13-2	34@	8	7-6	7-7			12-6	13-1	13
14		4	1-1	1-1	1-1	48@	21-2	20-4	21	10	13-3	13	13	4	8	7-7	8	7@	12-7	12-6	12-6	14
15		1@	1-1	1-1	1-1	80	21	20-6	21	11	13	12-7	13	8	7-6	7-6	7-6			12-5	13	15
16		2	1	1	1	43@	21-2	20-7	21	11	13	12-6	12-6	6	7-7	7-6	7-7	4	12-5	12-5	12-5	16
17		4	1-1	1	1	47	21	20-6	20-6	25	12-7@	12-5	12-5			7-6	8		8	12-3	12-6	17
		31		.11	1-1	644		2.51	24-1	89		1.52	16-7	92		.94	8-6	11		1.51	12-7	
20		2@	1			80	20-5	20-2	20-2	16	12-6	12-4	12-5	10@	7-7	7-5	7-5	2@	12-4	12-4	12-4	20
21		1	1	1	1	90	20-2	20-1	20-2	16@	12-7	12-5	12-5	7	7-5	7-4	7-4	2	12-2	12-2	12-2	21
22		11	1	1	1	38	20-2	20	20	24	12-7	12-4	12-5	16	7-4	7-2	7-2	9	12	11-9	11-5	22
23		55	1	1	1	138	19-6@	17-1	19-2	44	12-5	11-6	11-6	10	7-2@	7-1	7-1	3	11-6	11-6	11-6	23
24		6	1	1	1	15	19-3	19-1	19-1	33	12-4@	11-5	12-4	21	7-2	7-2	7-2	1	11-4@	11-4	11-4	24
		19		.12	1-1	289		2.39	23-7	133		1.45	16-4	64		.88	8-5	13		1.45	12-7	
27			HOLIDAY				HOLIDAY				HOLIDAY				HOLIDAY			HOLIDAY			27
28		14@	1	1	1	23@	19-2	18-6	18-6	51@	13	12-4	13	3@	7-3	7-3	7-3					28
29		4@	1		-7	37	18-6	17-6	19	7	13	12-6	12-7	23	7-3@	7-2	7-2	5@	11-2	11-1	11-1	29
30		7@	-7	-7	-7	34	18	17-5	17-7	12	13	12-5	12-6			7-2	7-4	3	11-1	11	11	30
31		2	-7	-7	-7	39	17-7@	17-6	17-7	17	13	12-5	13			7-2	7-3		8	10-6	11	31
		81		.10	-1	133		2.22	23-5	87		1.48	16-2	26		.93	8-4	8		1.36	12-6	
6/3		7	-7@	-7	-7	15	18	17-4	17-4	24	13-1@	12-5	12-7	35	7-4@	7-2	7-4		8	10-6	11	6/3
4		1	1	1	1	62	18-2	17-5	18-2	41	13-4	12-7	13-4	8	7-5	7-3	7-3	3	10-7	10-7	10-7	4
5						66	19-5	18-7	19-4	47	14	13-5	14	19	7-6	7-5	7-6	5	11-2	11-1	11-2	5
6		4	1	-7	1	86	19-6	19-1	19-6	33	14	13-5	14	5@	7-7	7-5	7-5	6	11-3	11	11-3	6
7		5@	1	1	1	82@	19-7	19-6	19-5	23@	14-7	14-2	14-6	8	7-7	7-5	7-6	15@	11-6	11-2	11-3	7
		11		.11	1-1	711		2.33	23-6	168		1.65	16	75		.90	8-3	29		1.36	12-5	
10		8@	1	1	1	50@	19-7	19	19-2	35@	14-6	13-6	13-6	5	8	7-7	8			11-2	11-5	10
11		4	1	1	1	57	19-2	18-6	18-6	22	14	13-6	14	4@	8-1	7-7	7-7	1@	11-2	11-2	11-2	11
12		9@	-7	-7	-7	34	18-7	18-3	18-7	12	14	13-5	13-7	14	7-6@	7-5	7-5		8	11	11-4	12
13						30	18-7	18-5	18-5	4	13-7	13-7	13-7	1	7-7	7-7	7-7			11	11-4	13
14			8	-7		11	18-6@	18-2	18-4	39	13-7@	13	13	4	8	7-6	8			11	11-4	14
		44		.10		182		2.16	23-2	132		1.62	15-6	28		.92	8-2			1.36	12-4	
17			8	-7	1	31@	18-6	18-3	18-6	11@	13-2	12-7	13	13@	8	7-6	8	1@	11	11	11	17
18				-7	1	7	18-6	18-6	18-6	13	12-7	12-6	12-7	5	7-6	7-5	7-5	3	10-6	10-6	10-6	18
19		10@	-7	-7	-7	10@	18-6	18-4	18-5	17	13	12-4	12-4	1	7-5	7-5	7-5		8	10-4	11	19
20				-7	1	24@	18-5@	17-6	17-6	19	13	12-4	12-6	6	7-6	7-6	7-6			10-5	10-7	20
21				-7	1	33	18	17-5	17-6	36	13	12-4	13	5	7-6@	7-3	7-3	2	10-4	10-4	10-4	21
		10		.11	1	115		2.13	23-1	96		1.55	15-5	30		.94	8-1	6		1.32	12-4	
24		6@	1		-7	X 12@	17-6	17-4	17-5	38@	13	12	12	1	7-3	7-3	7-3			10-4	10-6	24
25		8@	1	8	-8	12S@	17-7	17-4	17-6	29	12-3	11-6	12	4@	7-4	7-3	7-3			10-4	10-6	25
26		23	-7	-7	-7	22	17-4	17	17	16	12-3	11-7	12	3	7-3@	7-2	7-2			10-4	10-6	26
27		4	-7	-7	-7	78	16-6@	15-2	15-2	92	12	10-2	10-2	4	7-2	7-2	7-2	10@	10-4	9-6	9-6	27
28		4	-7	-7	-7	73	16	15-6	15-6	25	11-1@	10-1	11	2	7-2	7-2	7-2	6	9-6@	9-5	9-5	28
		116		.10	1	628		1.95	22-7	390		1.27	15-2	14		.90	8-1	16		1.21	12-3	

EARN		DEFICIT6	.66	.980		$ 2.34	2.008		$ 2.06	.710		$ 2.05	.520		$ 1.82	EARN
				.240			.900			.170			.100			
DIV																DIV
	JUL	- JAN	-	JUL	- JAN	-	JUL	- JAN	-	JUL	- JAN	-	JUL	- JAN	-	
	AUG	- FEB	-	AUG	- FEB	3700	AUG	- FEB	-	AUG	- FEB	-	AUG	- FEB	-	
	SEP	- MAR	-	SEP	- MAR	12092	SEP	- MAR	-	SEP	- MAY	-	SEP	- MAR	170	
	OCT	- APR	-	OCT	- APR	14462	OCT	- APR	2100	OCT	- APR	-	OCT	- APR	3193	
	NOV	- MAY	-	NOV	- MAY	7500	NOV	- MAY	8000	NOV	- MAY	-	NOV	- MAY	-	
	DEC	- JUN	-	DEC	- JUN	-	DEC	- JUN	-	DEC	- JUN	-	DEC	- JUN	-	
	MAY	- NOV	-	MAY	- NOV	6457	MAY	200 NOV	-	MAY	600 NOV	100	MAY	2793 NOV	306309	
	JUN	- DEC	-	JUN	800 DEC	60	JUN	- DEC	6056	JUN	- DEC	-	JUN	542 DEC	519J0	
	JUL	- JAN	-	JUL	1100 JAN	-	JUL	- JAN	2242	JUL	-620 JAN	1000	JUL	500 JAN	-	
	AUG	- FEB	-	AUG	- FEB	-707	AUG	100 FEB	1982	AUG	200 FEB	800	AUG	- FEB	-	
	SEP	- MAR	-	SEP	- MAR	-376	SEP	- MAR	1641	SEP	- MAR	21506	SEP	- MAR	681010	
	OCT	- APR	-	OCT	40000 APR	-	OCT	- APR	-	OCT	-800 APR	-	OCT	- APR	-	

WELLS RICH GREENE INC					WESCO FINANCIAL CORP					WEST PENN POWER CC					WEST POINT PEPPERELL					WESTCOAST TRANSMISSION				
Week Stock Index Outstanding					Week Stock Index Outstanding					Week Stock Index Outstanding					Week Stock Index Outstanding					Week Stock Index Outstanding				
MAR				1632 MAR					2373 SEP 9					7426 MAR					4752 MAR					8541
	VOL	HIGH	LOW	CLOSE	VOL	HIGH	LOW	CLOSE		VOL	HIGH	LOW	CLOSE		VOL	HIGH	LOW	CLOSE		VOL	HIGH	LOW	CLOSE	
7/1	40	7-2	7-1	7-1	20	9-4	9-3	9-4		140	90-4a	90-1	90-4		47a	25-2	24-6	25		1a	19-1	19-1	19-1	7/1
2	8	7-1		7			9-4	9-4		30	91	91	91		43	25	24-1	24-2		3	19-7	18-4	18-4	2
3	11	7	7	7	7	9-4a	9-2	9-2		100a	92	92	92		72	24	23-5	23-6		4	19-3	18-2	18-3	3
4		HOLIDAY				HOLIDAY					HOLIDAY					HOLIDAY					HOLIDAY				4
5	6	6-6a	6-6	6-6	2	9-3	9-3	9-3		10	91-2	91-2	91-2		15	23-4a	23-2	23-2		2	18-1a	18-1	18-1	5
	20	.85	6-1		11	1.18	12-1			245	6.44	56			177	2.43	24-7			TO	2.75	22-3		
8	176	6-7	6-3	6-3	76	9-7	9-2	9-2		10	91-2	91-2	91-2		22	23-1a	23	23		12	19-3a	17-6	19-1	8
9	7	6-4	6-3	6-4	2	9-2	9-2	9-2				a 21	92-4		24	23-3	23-1	23-3		9	18-4	18-2	18-4	9
10	28	6-5	6-2	6-2	2	9	9	9				91	92-4		35a	23-5	23-1	23-1		3	18-6	18-3	18-6	10
11	17	6-1	5-7	5-7	4	9	a 9-6	9-6		50	91-2	91-2	91-2		22	23-1	23	23		1	18-4	18-4	18-4	11
12	43	6	5-6	6			9-6	9		200a	91-4a	91	91		29	23-4	23-1	23-2		2a	19	18-7	19	12
	112	.77	6-1		13	1.15	12-3			260	6.74	55-4			128	3.02	24-7			23	2.41	22-2		
15	32	6	5-6	6			6-6	6				a 50-4	92		22	24-1	23-4	23-7		1	19-7a	18-7	19-7	15
16	7	6	5-7	5-7	8	8-6a	8-4	8-4		210a	91-4	90-4	91-4		19	23-4	23-4	23-7		1a	19	19	19	16
17	1	6-1	6-1	6-1	5	8-6	8-6	8-6				90-4	92		58	24-2a	23-3	24				19	19-1	17
18	19a	6-2	6	6-1	2	9	9	9		30	90-4	90-4	90-4		14	25-1	24-4	25-1		1a	19-2	19-2	19-2	18
19	14	6-1	6	6-1	10a	9-4	8-7	9-4		20	90-4	90-4	90-4	X	14a	25-2	24-5	24-5		3	19	19	19	19
	73	.77	6-1		25	1.16	12-2			260	6.19	55-5			128	3.18	25			20	2.43	22-2		
22	17	6-2	6-1	6-2	11	10-2a	9-3	10-2		140a	90-4	90-2	90-2		23	24-3a	24-2	24-3		1	19-2a	19-2	19-2	22
23	8	6-3	6-2	6-3	8a	10-6	10-4	10-4				a 90	92		70	25	24-3	24-7				19-4	19-6	23
24	14a	6-4	6-2	6-4	3	10-5	10-4	10-4					90		17	25	25	25		1a	19-5	19-5	19-5	24
25	X 7	6-2	6-2	6-2	1	10-2	10-2	10-2					90		14	25-3	25-1	25-1				19-6	20	25
26	1	6	6	6			10	10-5					90		18a	25-6	25-2	25-2				19-5	20	26
	47	.78	6		23	1.28	12-1			140	6.33	55-4			142	3.15	25-1			2	2.51	22-1		
29	136	6-1	6	6	4	10-1	10	10		10a	90-2	90-2	90-2		19	25-1	25-1	25-1				19-5	19-7	29
30	14	6	a 5-7	5-7	1	9-6	9-6	9-6				90	92		7a	25-3	25-1	25-3				19-5	20	30
31	4	6	5-7	6	93	9-4a	8-2	8-2		400	90-2	90	90		9	25-2	25-1	25-1				19-4	20	31
8/1	3	6	5-7	5-7	4	8-4	8-4	8-4		100	49-6	49-6	49-6		17	25-1	25-1	25-1		9a	19-4	19-3	19-3	8/1
2	3	6	6	6	92a	13-4	13-4	13-4				a 49	91		327	25-3a	24-6	24-6			a	19-1	19-3	2
	37	.76	6		194	1.13	12-1			910	6.62	55-3			574	3.34	25-1			4	2.57	22		
5	14	6-2a	6	6-2	110a	13-4a	13-4	13-4				a 49	91		130a	24-6	23-6	23-7				19-2	19-4	5
6	6	6-2	6-1	6-1	82	13-4	13-4	13-4		10	49-6	49-6	49-6		6	24	23-6	23-7			a	19-1	19-4	6
7	87	6-2	6-1	6-2	29	13-4	13-4	13-4		20a	90	90	90		15	24	23-6	23-6				19-1	19-4	7
8	64a	6-3	6-2	6-3	10	13-4	13-4	13-4		15	90	90	90		21	23-7a	23-2	23-4				19-2	19-5	8
9	3	6-2	6-2	6-2	X 17	13-4	13-4	13-4		100	90	49	49		17	23-7	23-4	23-4		1a	19-2	19-3	19-3	9
	116	.81	6		257	1.11	12-1			140	6.51	55-1			109	2.44	25-1			1	2.50	22		
12			6-2	6-5	96a	13-4	13-4	13-4		30	90	90	90		5a	23-4a	23-2	23-4		1a	19-3	19-3	19-3	12
13	74a	6-3	6	6	8	13-3	13-3	13-3		100a	91	49-4	49-4		33	23	22	22				19-3	19-4	13
14	11	6	5-7	5-7	13	13-3	13-3	13-3		70	49-4	49-4	49-4		17	22-2a	21-5	22		2	19-2a	19-1	19-1	14
15	9	5-7a	5-6	5-7	23	13-2a	13-2	13-2		10	49-6	49-6	49-6		15	22-1	21-6	21-7		7	19-2	19-1	19-2	15
16	26	5-7	5-7	5-7	2	13-2	13-2	13-2		60	49-1a	49	49		11	21-6	21-5	21-6				19-1	19-4	16
	320	.79	5-7		154	1.14	12-3			270	6.74	54-7			81	2.64	25			10	2.60	21-7		
19	28a	5-7a	5-6	5-6	59	13-2a	13-2	13-2		250a	49	48-7	48-7		18a	22	21-6	22		6a	19	19	19	19
20	10	5-7	5-6	5-7	7	13-2	13-2	13-2		40	48-7	48-7	48-7		27	22	21-6	21-7				19	19-1	20
21	3	5-7	5-6	5-7	28a	13-3	13-2	13-3		150	48-6	48	48-6		22	21-7	21-6	21-6				19	19-3	21
22	2	5-7	5-7	5-7	8	13-3	13-2	13-3				a 47-4	48-4		74	21-7	20-4	20-7		1	19	19	19	22
23	15	5-7	5-6	5-7	11	13-2	13-2	13-2		10	47-6	47-6	47-6		44	20-7a	20	20		2	18-9a	18-5	18-5	23
	84	.81	5-6		113	1.09	12-2			490	6.88	54-6			195	2.96	24-7			9	2.69	21-6		
26	18	5-6a	5-5	5-6	11a	13-2	13-1	13-1		120a	48	a 46-4	48		66	19-6	19-2	19-4		5a	18-3	18-2	18-2	26
27	17	5-6	5-6	5-6	20	13-1	13-1	13-1		180	47-4	46-4	47-4		61a	20-1	19-4	19-4		2	18	18	18	27
28	8	5-6	5-5	5-5	5	13	12-6	12-6		10	46-4	46-4	46-4		28	19-3	18-6	18-6				18	18-1	28
29	22	5-6	5-5	5-5	8	12-3	12-1	12-1		100	47-2	47-2	47-2		51	18-7a	18	18		1	17-6	17-6	17-6	29
30	13	5-6	5-5	5-6	2	12	a 11-7	11-7		20	47	47	47		46	19-1	18-2	18-7			a	17-4	17-6	30
	66	.83	5-5		46	1.04	12-3			430	7.19	54-2			272	2.74	24-5			8	2.70	21-4		
9/2		HOLIDAY				HOLIDAY					HOLIDAY					HOLIDAY					HOLIDAY				9/2
3	18	5-6a	5-4	5-4	2a	11-5	11-5	11-5		100a	46-6	46-6	46-6		42a	20	19	19-3		2a	17-4	17-4	17-4	3
4	42	5-4	5-4	5-4			11-2	11-0				a 45-4	47		24	19	a 18-3	18-3		5	17-2	16-6	16-6	4
5	172a	7-7	7-1	7-6	4	11-5	11-3	11-3		10	46-2	46-2	46-2		15	19	18-4	19			a	16-4	16-7	5
6	269	7-7	7-4	7-5		a 11	11-4	11-4		250	46	46	46		27	19-2	18-7	19-2		1	16-5	16-5	16-5	6
	320	1.13	7-4		6	1.09	12-2			340	6.89	53-7			108	2.03	24-4			8	2.51	21-3		
9	186	7-5a	7-4	7-4							45-1	46			68a	19	18-5	18-7		32a	18-2	15-6	15-6	9
10	60	7-5	7-4	7-5	139a	7-6	7-1	7-2				45-1	46		30	18-7	18	18		28	15-6a	15-2	15-6	10
11	138	7-5	7-4	7-5	57	7-1	6-4	7		110a	46	45-4	45-4		40	18-2a	17-7	17-7		6	16	15-5	16	11
12	110a	7-6	7-4	7-5	10	6-6	6-3	6-3				a 45	47		29	18-2	17-7	19-2				15-6	16	12
13	69	7-5	7-4	7-4	12	6-3a	6-2	6-3		250	46	45-4	45-4		12	18-2	18	18		5	15-6	15-6	15-6	13
	596	1.16	7-5		214	.99	12-1			340	7.32	53-4			179	2.84	24-2			75	2.20	21		
16	27	7-5a	7-3	7-3	23	6-3a	6-2	6-4		100	45-3a	45-4	45-4		18	18-6a	18	18-4		2	15-4a	15-4	15-4	16
17	30	7-5	7-4	7-5	13	6-7	6-5	6-7		40a	47	46-4	47		44	19	18-5	18-5		6	16	15-6	16	17
18	17	7-5	7-4	7-5	26	6-6	6-4	6-6				46-4	47-4		9	19-1	18-5	19-1		1a	16-2	16-2	16-2	18
19	31a	7-6	7-5	7-6	26	7-1	6-7	7		20	47	47	47		17a	20	19-3	20				16	16-3	19
20	46	7-6	7-5	7-6	48	7-2	7	7-2				46-4	48		19	20	19-4	19-7				16	16-4	20
	351	1.14	7-3		49	1.01	12			160	6.49	53-1			107	2.96	24-1			9	2.42	20-6		
23	34b	7-6	7-5	7-6	28	7-5	7-5	7-5	X			a 45-3	47		23a	20	19-5	19-7		3a	16-6	16-2	16-2	23
24	X 17	7-6a	7-3	7-4	13	7-4	7-2	7-2		50	45-6	45-3	45-3		14	19-7	19-4	19-5				16	16-2	24
25	21	7-6	7-5	7-5	22a	7-6a	7-1	7-4				45-4	46		27	19-4	19-2	19-2		3	16	16	15	25
26	2	7-6	7-6	7-6	2	7-3	7-3	7-3				45-4	46		8	19-2a	19	19-2		1	16	16	16	26
27	31	7-6	7-5	7-5	5	7-4	7-4	7-4		110a	46	45-7	46		18	19-3	19	19				a 15-6	16-2	27
	106	1.21	7-4		70	1.15	11-7			160	7.21	52-6			90	3.01	24			7	2.50	20-4		
30	30a	7-5a	7-3	7-4	16	7-4a	7-4	7-4		110a	45-3a	45-3	45-3		15a	19-6a	18-6	18-6			a	15-6	16-2	30
EARN	.710			$ 2.08	.520			$ 1.75		4.508					2.000			$ 4.87		1.200			$ 2.76	EARN
DIV	.170				.100					1.125					.500									DIV
	.170																							
SHORT INT	OCT	-	APR	-	OCT	-	APR	3193		OCT	-	APR	-		OCT	-	APR	-		OCT	-	APR	-	SHORT INT
	NOV	-	MAY	-	NOV	-	MAY	-		NOV	-	MAY	-		NOV	-	MAY	-		NOV	-	MAY	-	
	DEC	-	JUN	-	DEC	-	JUN	-		DEC	-	JUN	-		DEC	-	JUN	-		DEC	-	JUN	2500	
	JAN	-	JUL	-	JAN	-	JUL	120		JAN	-	JUL	-		JAN	-	JUL	-		JAN	-	JUL	270	
	FEB	-	AUG	-	FEB	-	AUG	4319		FEB	-	AUG	-		FEB	-	AUG	-		FEB	-	AUG	-	
	MAR	-	SEP	-	MAR	120	SEP	-		MAR	-	SEP	-		MAR	-	SEP	-		MAR	-	SEP	-	
INSIDER TRANSACTIONS	AUG	200	FEB	8000	AUG	-	FEB	-		AUG	-	FEB	-		AUG	-	FEB	-		AUG	1023	FEB	418768	INSIDER TRANSACTIONS
	SEP	-	MAR	21300	SEP	-	MAR	63863		SEP	-	MAR	-		SEP	-	MAR	-		SEP	2000	MAR	-	
	OCT	-800	APR	-	OCT	-	APR	271884		OCT	-	APR	-		OCT	-	APR	-		OCT	-	APR	-	
	NOV	100	MAY	3348	NOV	308308	MAY	-		NOV	-	MAY	-		NOV	-	MAY	-		NOV	-	MAY	23181	
	DEC	-	JUN	-	DEC	51900	JUN	-		DEC	-	JUN	-		DEC	100	JUN	-1633		DEC	25008	JUN	-	
	JAN	1000	JUL	-	JAN	-	JUL	-		JAN	-	JUL	-		JAN	-	JUL	-		JAN		JUL	-	

EXHIBIT 23

Form 8-K of WRG for March 1974

328a

REC'D - SEC. C.

APR 11 1974

W32000

SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

Form 8-K

CURRENT REPORT

Pursuant to Section 13 or 15 (d) of
the Securities Exchange Act of 1934

For the Month of March, 1974

WELLS RICH GREENE, INC.
(Exact name of Registrant as specified in Charter)

767 Fifth Avenue,

New York, New York 10022
(Address of principal executive offices)

Item 11. Submission of Matters to a Vote of Security Holders.

(a) The date of the registrants' Annual Meeting of Stockholders was March 6, 1974.

(b) There was presented to the meeting a proposal to approve the actions of the Board of Directors and the Compensation Committee in approving the acceleration of the expiration dates of certain options outstanding on June 12, 1973 under the registrants' Stock Option Plan and subsequently granting new options to purchase shares of Common Stock which became available under the Stock Option Plan as a result of the accelerated expiration of the outstanding options. The proposal was approved by the registrants' stockholders since 972,065 shares were cast in favor and 212,837 were cast against the proposal.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

WELLS, RICH, GREENE, INC.
Registrant

By /s/Mary Wells Lawrence
Mary Wells Lawrence, Chairman

Date: April 10, 1974

END

Affidavit of Nathan Belfer, in Support of Motion, Sworn to November 20, 1974

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

ALBERT KAUFMANN,

Plaintiff,

-against-

MARY WELLS LAWRENCE, CHARLES MOSS, RICHARD T. O'REILLY, JOHN V. BURNS, FRANK G. COLNAR, FREDERICK L. JACOBS, BARRY E. LOUGHRANE, MARTIN STERN, STANLEY G. DRAGOTI, WARREN J. KRATKY, ARNOLD M. GRANT, TROY V. POST, EMILIO PUCCI, CATHARINE GIBSON, E. DONALD CHALLIS and WELLS, RICH, GREENE, INC.,

Defendants.

74 Civ. 5081 (RLC)

AFFIDAVIT

STATE OF NEW YORK)
: ss.:
COUNTY OF NEW YORK)

NATHAN BELFER, being duly sworn, deposes and says:

QUALIFICATION

1. I am a graduate of Harvard University, with a Bachelor of Science degree, majoring in Economics. I also received a Master of Arts degree and the Doctor of Philosophy degree, both in Economics, from Harvard University. I have been a member of the Faculty and taught Economics at Tufts College, Massachusetts Institute of Technology, Brooklyn College, John Hopkins University, and the Pennsylvania State University. I have written numerous articles in the fields of finance, economics, investment and business administration, which have appeared in the Investment Dealer's Digest, The Investor, Mutual Fund Journal, Southern Economic Journal, Commercial and Financial Chronicle, Social Research, Financial Analysts Journal, Industrial and Labor Relations Review, Management Review, Journal of Business, Journal of Political Economy, Current Economic Comment, Pennsylvania Business Review, and The Exchange. I am a member

of the New York Society of Security Analysts and a Chartered Financial Analyst.

2. I have been associated with Standard Research Consultants, a subsidiary of Standard & Poor's, Kuhn, Loeb & Co., and DeVegh & Co. I am currently with Wood, Struthers & Winthrop, Inc. I have done many security evaluation studies of stocks, bonds and warrants, including reorganization and recapitalization plans, and valuations of companies planning to merge.

3. At Wood, Struthers & Winthrop Inc., I am a Vice President, functioning as a Security Analyst and Portfolio Manager. I am also a Vice President of the De Vegh Mutual Fund. I also lecture on Finance and Investments at the New School for Social Research and the New York Institute of Finance.

4. Wells, Rich, Greene, Inc. ("WRG") has offered to buy the 1,405,008 shares of common stock held by the public. It will pay for each share $3.00 in cash and $8.00 face value of a 10% debenture maturing on November 1, 1984. The bond is currently trading in the over-the-counter market on a "when issued" basis at 69 bid - 70 offered. The offer is thus worth $8.52 per share computed as follows:

Cash	-	$3.00
Bond (69% of $8.00)	-	5.52
Total		$8.52

5. In the course of my evaluation of WRG, the following factors were given careful analysis:

(a) The history of the company and the nature of the business.

(b) The financial condition of the business.

(c) The record of the company's past operations.

(d) Current and prospective economic conditions as of the date of valuation, both in the national economy and in the advertising industry, of which WRG is a part.

(e) The investor's appraisal of the earnings and dividends of actively traded securities and of the securities of companies engaged in the same line of business.

(f) The book value of the WRG stock which was $10.43 on August 31, 1974.

6. WRG has had an excellent record of sales and earnings in the last five years. Gross billings, which were $77.4 million in the fiscal year ended October 31, 1969, have risen steadily to $185.3 million in fiscal 1973. For the ten months ended August 31, 1974, gross billings were $152.7, up from $147.9 in the same 1973 period. Commissions and service fees have increased from $11.6 million in fiscal 1969 to $17.2 million in fiscal 1973. For the ten months ended August 31, 1974 commission and service fees were $22.9 million, up by $700,000 from $22.2 million in the same 1973 period.

7. Earnings per share have reflected this growth, increasing steadily on a fully diluted basis from $1.02 for the fiscal year ended October 31, 1969 to $1.24 for the 1970 fiscal year, $1.63 for 1971, $1.83 for 1972, $2.04 for 1973 and at least $2.04 for 1974 (the first ten months of the current fiscal year are slightly ahead of last year.) For the ten months ended August 31, 1974, earnings were $1.46 per share compared to $1.43 in the comparable 1973 period. For the fiscal year ended October 31, 1974, it is therefore reasonable to estimate that earnings are

at least equal to the 1973 earnings of $2.04.

8. On September 4, 1974, prior to the announcement of the exchange offer, the market price of WRG's stock was $5.50 per share. This represented a price-earnings ratio of 2.7 times 1973 earnings. On November 1, 1974 the price had risen to $8.125, reflecting the exchange offer. At $8.125 the stock was selling at 4.0 times actual 1973 earnings and 3.9 times estimated fiscal 1974 earnings.

WRG stock has sold well above these levels in the past as indicated in the following table:

	High	Low
1969	18-3/4	8-3/4
1970	17-3/8	5
1971	25	15-3/4
1972	27-7/8	16-3/4
1973	21	7-1/4

In 1972 when the stock sold as high as 27-7/8, earnings were $1.83 per share.

9. The recent price earnings ratios for WRG stock are well below historic price earnings ratios for the stock in the past. The following table indicates the high and low price earnings ratios of the stock for the last five years:

	PRICE EARNINGS RATIOS		
	High	Low	Average
1969	18	9	13.5
1970	14	4	9.0
1971	16	9	12.5
1972	15	9	12.0
1973	10	3	6.5

In 1969 the stock sold as high as 18 times earnings. Only in 1970 and 1973 did the stock sell below 9 times earnings.

10. The recent market price of WRG common stock cannot be considered to be an indication of the true intrinsic value of the stock. The company has enjoyed a steady increase in gross billings and net income. Even in 1974, a year of recession in the American economy, the company's billings and income have increased. An element of uncertainty in the advertising agency business is always the possibility of losing clients. While the company has lost clients in the past, it still has been able to attract new clients and show a steady growth in billings. The current price earnings ratio at which WRG stock sells must be considered to be unrealistic in view of the past record of the company and the company's future potential. The average of the average price earnings ratios, as noted above, for the last five years 1969 to 1973 is 10.7. It is reasonable to expect that in the foreseeable future, with better economic conditions and an improved general stock market atmosphere, WRG's stock will sell at a price earnings multiple more in line with its historic average past record. If the stock were to sell at 10.7 times earnings in the foreseeable future and assuming that the 1974 earnings will be at least $2.04, the same as 1973, a fair assumption since the first ten months of the current fiscal year were slightly better than the prior year, a price of approximately $22 more accurately reflects the common stock's intrinsic value. Even if we were to substitute for the current earnings level of $2.04 per share, the average of the past five years' earnings, namely, $1.78 on a fully diluted basis, the average of the average price earnings ratio of the past five years including the current year, namely, $1.78, indicates an intrinsic value to the common stock of in excess of $19.

11. CONCLUSION

On all the factors considered in my analysis it is my opinion that the offer by WRG to its stockholders of cash and securities, having together a current value of $8.52, approximately 18% below the current book value of $10.43 per share is grossly inadequate. It is substantially below a true, intrinsic, going concern value of approximately $20.00 per share.

Nathan Belfer
NATHAN BELFER

Sworn to before me this
20th day of November, 1974

Lucille J. Catalano
Notary Public

LUCILLE J. CATALANO
Notary Public, State of New York
No. 24-0601428
Qualified in Kings County
Certificate filed in New York County
Commission Expires March 30, 1975

Affidavit of Robert J. Sisk, in Opposition to Motion, Sworn to November 23, 1974, Having the Following Attachments:

Affidavit of Mary Wells Lawrence, in Opposition to Motion, Sworn to November 23, 1974

Affidavit of Wm. Brian Little, in Opposition to Motion, Sworn to November 23, 1974, with the Following Letter Attached:

Letter Dated September 4, 1974, from Paul Hallingby, Jr. to Mary Wells Lawrence

all of whom are top management people and vital to the

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

ALBERT KAUFMANN,	:	74 Civ. 5081
Plaintiff,	:	(RLC)
- against -	:	AFFIDAVIT IN OPPOSITION TO PLAINTIFF'S MOTION FOR PRELIMINARY INJUNCTION
MARY WELLS LAWRENCE, et al.,	:	
Defendants.	:	

STATE OF NEW YORK)
: ss.:
COUNTY OF NEW YORK)

ROBERT J. SISK, being duly sworn, deposes and says:

1. I am a member of the bar of this Court and of the firm of Hughes Hubbard & Reed, attorneys for the defendants who have been served in this action. I make this affidavit in order to introduce the factual materials which defendants are submitting in opposition to plaintiff's motion for a preliminary injunction.

2. Affidavit of Mary Wells Lawrence.

Mary Wells Lawrence was a founder of Wells, Rich, Green, Inc. ("WRG") and is Chairman of the Board of Directors and Chief Executive Officer. Mrs. Lawrence, whom we expect to be a witness at the hearing on plaintiff's motion, describes the business reasons for making the Exchange Offer and the fairness of the offer to WRG shareholders. The discussion in the affidavit covers such subjects as the history of WRG, its experiences as a public company, its efforts to attract investor interest, and its prospects under present conditions and in the future.

3. Affidavit of Wm. Brian Little.

Mr. Little is a First Vice President of White, Weld & Co., Incorporated ("White Weld"), investment bankers for WRG since 1968. Mr. Little (1) sets forth White Weld's opinion as to the fairness of the Exchange Offer to stockholders, (2) describes White Weld's commitment to make a market in WRG common stock in the event that WRG is no longer listed on the New York Stock Exchange, (3) expresses White, Weld's opinion that the market price of WRG common stock would decline if the Exchange Offer were delayed, and (4) comments on the analysis made by Nathan Belfer, plaintiff's expert witness.

4. Affidavit of Orville H. Schell.

Orville H. Schell is a member of the firm of Hughes Hubbard & Reed and has been principal legal advisor to WRG since its formation. To place in perspective plaintiff's quotations from a speech by A.A. Sommer, Jr., a member of the Securities and Exchange Commision, Mr. Schell describes a meeting he had with Mr. Sommer and SEC Chairman Ray Garrett, Jr., subsequent to Mr. Sommer's speech.

5. Stockholders' Affidavits.

Plaintiff, the owner of 100 shares of WRG stock, purports to represent all stockholders of WRG other than officers and directors -- in other words, the holders of the 1,405,008 shares eligible to participate in the Exchange Offer. In the few days since this action was commenced, affidavits have been obtained from holders of over 600,000 shares -- more than 40 per cent of the shares eligible to participate in the Exchange Offer - stating that they have read the complaint and are opposed to the granting

of injunctive relief. These affidavits, plus the affidavit of Steven Hutchinson of White, Weld describing conversations with account managers for a number of out-of-town stockholders in which opposition to injunctive relief was expressed, are collected under the tab labeled "Stockholders' Affs." This widespread and unequivocal opposition to the relief plaintiff seeks by such a large proportion of those he claims to represent clearly requires denial of his motion for preliminary relief.

WHEREFORE, I respectfully request that plaintiff's motion for a preliminary injunction be denied in all respects.

Robert J. Sisk

Sworn to before me this
23rd day of November, 1974

Notary Public

THOMAS G. SCHUELLER
Notary Public, State of New York
No. [illegible]
Certificate Filed in New York County
Commission Expires March 30, 1975

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

ALBERT KAUFMANN,	:	74 Civ. 5081
Plaintiff,	:	(RLC)
- against -	:	AFFIDAVIT IN OPPOSITION TO
MARY WELLS LAWRENCE, et al.,	:	PLAINTIFF'S MOTION FOR
Defendants.	:	PRELIMINARY INJUNCTION

STATE OF NEW YORK)
: ss.:
COUNTY OF NEW YORK)

MARY WELLS LAWRENCE, being duly sworn, deposes and says:

1. I am Chairman of the Board of Directors and Chief Executive Officer of defendant Wells, Rich, Greene, Inc. ("WRG"), am fully familiar with all of the relevant facts and make this affidavit in opposition to plaintiff's motion for preliminary injunctive relief.

2. The claims asserted by plaintiff are without foundation. The Prospectus discloses in great detail the pertinent and material facts relevant to the Exchange Offer. The decision by the Board of Directors of WRG to authorize the Exchange Offer was premised on what are for this company particularly important and valid corporate business purposes and the value of the package offered to the stockholders, which exceeded the prevailing stock market price by more than 60%, is a fair one, not only in the opinion of the WRG Board but also in the opinion of White, Weld & Co. Incorporated. Most important of all, however, is the

reception accorded the offer by our shareholders, who to date appear to be overwhelmingly in favor of it. If the Exchange Offer were not to be consummated, the short term impact would be to cause a substantial decline in the price of WRG common stock and the loss to the stockholders of the opportunity that is now available to them. In the long run, as a result of our inability to carry out the corporate purposes for the offer, WRG will in my opinion be substantially weakened and this in turn would mean that our stockholders would face a very bleak future.

I. Business Purpose

3. The business purposes which led to the making of the Exchange Offer are described on pages 13 and 14 of the Prospectus. They should be looked at in light of the unusual character of the advertising industry. The advertising industry is a personal service business. It is a "people business." It is also highly competitive.

4. As a personal service business, WRG has no plants or manufacturing equipment or significant capital requirements. Nor does it sell standardized goods to the public or have long term commitments from the companies with whom it conducts it business. In fact, the few contracts it does have with its clients are terminable at any time upon three months' notice. As a result, relationships with clients are extremely fragile. Competition among advertising firms is intense and clients can and do change agencies and are free to reduce budgets at any time.

5. Thus, WRG has only its services to sell, and its services are only as good as the personnel who provide these services. In other words, the success, indeed the

survival, of an advertising agency ultimately depends almost entirely on its ability to attract, motivate and retain creative and skilled personnel.

6. Historically, advertising firms, like stock brokerage, accounting and law firms have been privately held, as was WRG until 1968.

A. History of WRG

7. WRG was organized in 1966, at a time when there was enthusiasm among many advertising agencies for public ownership. It was organized with a view towards eventually becoming a publicly-held agency and from the initial public offering of WRG's common stock in 1968 until the decision of the Board of Directors on September 4, 1974 to make the Exchange Offer, every effort had been made to make WRG successful as a publicly-held firm and have that success reflected in the performance of its stock.

8. Unlike other companies, WRG did not need a public market for its common stock in order to facilitate the raising of capital but WRG believed that public ownership would be beneficial for both the public and its employees. WRG believed that the best way to attract and motivate talented personnel was through the payment of attractive base salaries supplemented with participation in the growth of WRG through stock ownership and believed that a public market offered the best means for WRG personnel to realize the expected increases in the value of such stock. WRG believed that stock options in particular would offer the incentive compensation so necessary to the Agency's survival and success. WRG also believed that through the existence of a public market the common stock would prove a successful vehicle for the acquisition of other agencies.

B. Efforts to Make the Public Market a Success

9. With this concept in mind, WRG created a financial program keyed to its stockholders. In order to generate earnings for its stockholders, WRG hired fewer people, did not create the agency-wide pension plan traditionally offered in the advertising industry, does not have the expensive agency-wide profit-sharing plans found at most other agencies and has attempted to keep others costs to a minimum. As a result, WRG was a leader in the industry in earnings, return on investment and growth.

10. In furtherance of its goal of developing a successful public market for its common stock, WRG listed the stock on the American Stock Exchange in 1970 and then on the New York Stock Exchange in 1971.

11. In addition, for six and a half years WRG spent money and a great deal of management time and effort in meeting with potential investors and explaining the industry and what we believed to be the attractiveness of WRG.

C. Failure to Attract Investor Interest and Decline in Stock Prices

12. Despite these efforts, the common stock of WRG in particular, like the stock of advertising agencies in general, has failed to capture substantial investor interest and support. The average advertising industry price-to-earnings ratio has been far below that of other publicly-held companies and, in particular, despite the earnings and profitability of WRG, its stock has been unable to sustain a high price-to-earnings multiple.

13. WRG's stock reached a high of 27 7/8 on January 31, 1972, has been below 15 since early 1973, has been below 10 during all of 1974 and declined to a low of 5 1/2 prior to announcement

of the Exchange Offer (see page 18 of the Prospectus). Although the stock market in general has also declined since the common stock sold at its historical high price, the price decline for WRG's common stock, as well as price declines for other advertising agencies' stocks, has been much sharper.

14. Data concerning the relatively low average daily trading volumes of the common stock since the beginning of 1971 are also set forth on page 18 of the Prospectus. Counsel for plaintiff attempts to distort these facts by totalling all shares traded from May 11, 1970 through September 4, 1974 and claiming that this total (5,162,000) is inconsistent with the statment in the Prospectus that trading in WRG common stock has been generally light. But the fact is that for the two years preceding the announcement of the Exchange Offer, the average daily trading volume was only some 2700 shares, even though there were approximately 1,625,000 shares outstanding during this period. Only as a result of unusual events in the second quarter of 1971 and the first quarter of 1972, did trading get as high as an average of 10,000 shares per day, reflecting, respectively, the secondary public offering made in April 1971 and the trading which followed WRG's loss of the American Motors account in early 1972.

15. The disappointing response of the financial and investment community to the common stock has been paralleled by the reactions to the common stock of WRG's own personnel, the people who know the agency best. Even with the decline in prices, WRG personnel have purchased very few shares of common stock in recent periods. Since April 1973, only four officers and directors, other than myself, have purchased

shares on the open market. These four persons purchased a total of only 2,400 shares, at prices ranging from $10.50 to $6 per share. In addition, during this period, three officers purchased a total of 1,034 shares directly from WRG pursuant to employee benefit plans, at prices ranging from $8.375 to $6 per share. There are no options outstanding which were granted at less than the then existing market value and the Incentive Stock Purchase Plan referred to by Mr. Nemser in ¶ 17 of his affidavit no longer exists. I have purchased a total of 30,500 shares on the open market during such period at prices ranging from $9.25 to $8.50 per share. I did so not in anticipation of this Exchange Offer but rather because of concern that my stock-holdings should not be less than those of one of the co-founders of WRG.who in early 1974 held more stock than I did and who was soon to leave the active employ of the agency. I terminated purchases because of the possible acquisition of an important other agency.

16. As a result of the failure of the common stock to keep pace with WRG's earnings and profitability, employee stock options -- intended as incentives -- have become meaningless and, indeed, have become an irritant. They are viewed by WRG personnel as the Agency's excuse for not paying higher salaries and for having no pension or profit sharing plan.

17. WRG revised its Stock Option Plan over the years in an effort to deal with the disappointing market response to the common stock and to make the Plan realistic and meaningful, but the revisions were met with continuation of the downward trend of the price of the stock.

18. The principal advantage to options no longer related to a public market but geared to book value is that

they would truly reflect the increased worth of the Company as operations increase its net assets. The uncertainties of the public market place would be removed and this would clearly assist WRG in its continuing effort to attract and maintain its key personnel.

19. WRG has tried every available alternative to accomplish the above objective. It has moved to increase direct compensation paid to its employees at an unusual rate and we presently estimate the 1975 payroll to be a minimum of 25% over fiscal 1973.

D. Present and Future Business Considerations

20. As employees have responded negatively to their meaningless options, they have pressed and are pressing for larger salaries to meet inflationary forces. Clients of WRG have also reacted to all the problems inherent in our present economy by pressing for greater services for a shrinking advertising dollar. The need to provide such services is resulting in the hiring of additional personnel, which is contributing to the payroll increases and leading to other costs. Also, businesses may be required to reduce their advertising budgets in an effort to reduce or maintain costs.

21. Moreover, the considerable business and public enthusiasm that once existed toward advertising has diminished. Increasing governmental regulation and the "consumerism" movement confront the industry, and in my personal view such hostility to advertising is likely to put continued pressure on the profitability of all agencies.

22. The net effect of these developments, totally unforeseen in 1968 and 1971 when WRG's common stock was

offered to the public, has been and, in our opinion, will continue to be to depress earnings and thereby the market prices of the stock. As a result, the pressures on WRG to further increase salaries become all the greater and the effect on the profitability of WRG and the market price of the common stock becomes all the worse.

E. Efforts to Acquire Other Agencies

23. With the exception of WRG's acquisition of Gardner Advertising Company in 1972, WRG has not been able to use its common stock as a means of acquiring other advertising firms. As a result of the lack of enthusiasm in recent years for agency stocks, most of the firms that we have talked to in an effort to create a group of foreign subsidiaries have wanted cash.

24. WRG'S frustration over the failure of the public market to provide the benefits to the agency that had originally been anticipated and its growing belief that a public market was not in the best interests of WRG reached a climax with its unsuccessful discussions during July 1974 for the acquisition of another leading, publicly held advertising firm. Negotiations were terminated because of the fear that routine public disclosure of a preliminary agreement, as required under the securities laws, would immediately cause the loss of conflicting clients which the combined enterprise would thus be unable to serve.

F. Decision by the WRG Board of Directors

25. For the reasons set forth above, WRG's Board of Directors unanimously concluded that the public market was not providing the benefits that were anticipated and that rather than an asset the market had become a liability. In addition, it was believed that in light of the fierce competition in the industry for employees and clients, action needed to be taken promptly and decisively that would renew the vigor and loyalty of the employees of WRG. Furthermore, we are convinced that the public market never will give advertising agencies the service that publicly-held agencies went to it for,* and we felt that we should act to provide our stockholders with an opportunity to sell their shares of WRG stock at an attractive price before further possible deterioration in the market.

26. The Board of Directors believed that as a privately held agency, WRG would have a reduced concern for the immediate impact of costs upon earnings and of earnings upon the value of the stock. This would allow WRG greater freedom and flexibility in the payment to employees of cash and other remuneration (including the more meaningful stock options based on book value, referred to in ¶ 18 above), thereby improving its ability to retain and motivate its staff and improve its services to clients. To suggest, as Mr. Nemser does in ¶ 17 of his Affidavit, that WRG could, as a practical matter, implement a stock option plan based on book value while remaining publicly-held is ridiculous.

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* Other advertising agencies evidently agree. Clinton E. Frank, Inc. and McCaffrey & McCall, Inc. have each made successful offers and have reacquired their publicly-held stock and have returned to private status.

27. Contrary to the assertions of Mr. Nemser in ¶ 16 of his Affidavit, the greater confidentiality of private status would, in my view, benefit WRG in its relationships with its clients. I have been in this business too long not to appreciate that ours is a client sensitive industry. Clients are not disturbed by public disclosure of the identity of their advertising agencies but they are highly sensitive to public agencies' disclosure of information concerning the amount of funds spent for the advertisement of their products and are irritated by the very profitability agencies must strive for to benefit their public stockholders. Many clients view profitability of agencies as money not spent on their behalf.

II. Fairness of the Exchange Offer

A. The Opportunity for Stockholders

28. The Exchange Offer is clearly fair to WRG's stockholders. It makes available to them an opportunity to sell their shares in return for a package worth $11 a share if the debentures are held to maturity or some $9 if disposed of at the anticipated market price for the debentures after issuance. Thus the long-term value of the offer is double that of the $5.50 per share price of WRG commcn stock on the New York Stock Exchange prior to the announcement of the Exchange Offer and 64% greater if estimated market value of the debentures is considered. The Exchange Offer also gives stockholders the opportunity to dispose of a total of 1,405,008 shares in an orderly fashion which could not have been accomplished in the market environment prevailing for WRG stock prior to this offer (See data on market volume discussed in ¶ 14 above).

29. Prior to its decision to authorize the Exchange Offer and to establish the terms, the WRG Board of Directors requested and received the advice of White, Weld and Co. Incorporated. White, Weld advised us that in its opinion the price of $3 cash and $8 principal amount of Debentures was a fair one.

B. The Two Prior Public Offerings

30. Much is made by Mr. Nemser in ¶ 11 of his Affidavit as to the money made by certain directors, officers and employees of WRG, including myself and certain other defendants, in the 1968 and 1971 public offerings. There was absolutely nothing improper in those transactions. The investors who purchased those shares from the WRG stockholders did so pursuant to offerings which were registered with the Securities and Exchange Commission and were covered by prospectuses providing full disclosure as to the history and development of WRG and its business, as to the compensation paid by it to its key officers and as to our original costs of the shares which we were selling.

31. Moreover, those past offerings and prices are completely irrelevant to the business purposes and the fairness of the terms of the Exchange Offer which must be judged on the basis of the facts and circumstances existing today. Those facts, as set forth on page 13 of the Prospectus show that 63 of WRG's 86 present officers, approximately three-fourths of the total, did not participate in or benefit from either public offering. These 63 include a member of the Board of Directors, two Executive Vice Presidents and six Senior Vice Presidents,

all of whom are top management people and vital to the operations of the Agency. In addition, approximately half of the persons who sold in either or both of those public offerings are no longer employed by WRG.

C. Equality of Opportunity

32. The Exchange Offer is open to all stockholders, except for myself and the other members of the Board of Directors. Thus, stockholders have two alternatives - to tender their shares in whole or in part or to retain all of their shares and continue as stockholders. The Exchange Offer is completely voluntary and the Board of Directors has not recommended that stockholders either accept or reject the Offer.

33. If a stockholder believes that, based on the pro forma figures and other information set forth in the Prospectus, the Exchange Offer will benefit the remaining stockholders, he is free to continue in that role. White, Weld and Co. Incorporated has informed us of its intention to make an over-the-counter market in the common stock if it is delisted and we believe that other brokerage firms would do so as well.

34. On the other hand, if a stockholder wishes to sell his shares at a substantial premium and to invest the proceeds in the securities of other companies that are presently selling at bargain prices and may be better suited to public ownership, he now has an opportunity to do so. The package has a face value of $11 per share, which is above WRG's book

value as of August 31, 1974. The $8 in Debentures to be issued with respect to each share exchanged will bear interest at the rate of 10% per annum, which by itself is a substantially higher rate of return than WRG has paid in annual dividends per share and, because of the sinking fund requirements, the Debentures are expected to be paid in full well before their stated maturity of 10 years. In short, we have provided an eminently fair opportunity for those stockholders who want to sell and at the same time we have obtained White Weld's commitment to make an over-the-counter market for those who wish to keep their stock, so that there is in fact a genuine choice for the stockholders.

WHEREFORE, deponent prays that the plaintiff's motion for injunctive relief be in all respects denied.

Mary Wells Lawrence

Mary Wells Lawrence

Sworn to before me this
23 day of November, 1974

Mario A Rosado
Notary Public

MARIO A. ROSADO
Notary Public, State of New York
No. 03-5322406
Qualified in Bronx County
Certificate filed in New York County
Commission Expires March 30, 1975

UNITED STATES DISTRICT COURT 354a
SOUTHERN DISTRICT OF NEW YORK

- x

ALBERT KAUFMANN,	:	74 Civ. 5081
Plaintiff,	:	(RLC)
- against -	:	AFFIDAVIT IN OPPOSITION TO PLAINTIFF'S MOTION FOR PRELIMINARY INJUNCTION
MARY WELLS LAWRENCE, et al.,	:	
Defendants.	:	

- x

STATE OF NEW YORK)
: ss.:
COUNTY OF NEW YORK)

Wm. BRIAN LITTLE, being duly sworn deposes and says:

1. I am a First Vice President of White, Weld & Co., Incorporated ("White Weld"), have worked on WRG matters since WRG became an investment banking client of White Weld in the Spring of 1968 and make this Affidavit in opposition to plaintiff's motion for injunctive relief.

2. White Weld is one of the leading international investment banking firms with 24 offices in the United States and 8 offices abroad and has consistently ranked among the top 10 United States firms in terms of dollar volume and number of public offerings managed and co-managed. In addition to its investment banking services, the firm conducts an active brokerage business with both institutional and individual customers, provides investment research, investment management and trading of securities.

3. In collaboration with Paul Hallingby, Jr., President and Chief Executive Officer of White Weld, I participated in the evaluation of the transaction involved in the Exchange Offer which is the subject matter of this litigation. I assisted

Mr. Hallingby in the preparation of a letter dated September 4, 1974 to WRG (copy attached) in which among other things we stated the opinion of White Weld as to the fairness of the exchange offer to stockholders as follows:

> "We believe this package represents fair value for Wells, Rich, Greene shares in light of current stock market conditions, the lack of investor interest in Wells, Rich, Greene stock and stocks of advertising agencies in general, current interest rates and other relevant factors".

4. As stated on page 16 of the Prospectus White Weld has committed itself to making a market in the shares of WRG common stock for shareholders who may elect not to participate in the Exchange Offer. This would provide an over-the-counter market in the event the shares are no longer listed on the New York Stock Exchange. White Weld currently makes over-the-counter markets in 75 stocks.

5. As the Company's investment banker and as Dealer-Manager of the Exchange Offer White Weld is familiar as to the status of the Exchange Offer, current ownership of the stock, recent trading activity in the stock and, on a when-issued basis, in the debentures and the interest exhibited in exchanging shares. It is White Weld's opinion that any delay in carrying out the terms of the Exchange Offer would cause a substantial decline in the market price of WRG common stock. Since the publicity concerning the filing of this lawsuit on November 20, 1974, the market price of the stock has already declined from $8 5/8 to $7 3/4 causing a potential loss to shareholders of $1,427,700, based on the 1,631,657 shares outstanding.

6. Mr. Belfer states that WRG's recent market price "cannot be considered to be an indication of the true intrinsic value of the stock". In the first place, the term "intrinsic value" is totally meaningless and academic as far as the

market place is concerned. Nevertheless, we have tested Mr. Belfer's approach to determining "intrinsic value" by calculating such "intrinsic values" for a group of 916 companies (from a Standard & Poors data base of 1800 major companies, after the elimination of utilities and companies which have been unprofitable in any of the last five years). In looking at this sample of 916 companies, we found that 830 (91% of the companies) presently have a market value less than their so-called "intrinsic value" based on current earnings, and that 899 (or 98% of the sample) have a market value less than this hypothetical value based on five years' average earnings.

7. Our conclusion is that only a small fraction of these corporations presently sell at or anywhere near their "intrinsic values" as calculated by Mr. Belfer and that this so-called value simply does not relate to the real world and practical values which prevail in the market place. An example of the kind of test of value which would in our opinion be meaningful is the price paid by a company for another company's shares and the premium over market prices which such price reflects. A sample of 34 tender offers during the first six months of 1974 indicates a range of premiums over market price of 0% to 74.3% (one at 100%.) and an average of 32.2%. The offer to WRG shareholders provides a premium of 100% if the Debenture is valued at its principal amount ($ 3 + $8 = $11 ÷ 5.50 = 200%) and 64% if the Debenture is valued at 75% ($3 + $6 = $9 ÷ $5.50 = 164%). As WRG's offer is clearly a generous one in the context of premiums over market paid by one company for another company, we believe it is fair as an offer to its own shareholders.

Wm. Brian Little

Sworn to before me this
23d day of November, 1974

Thomas G. Schueller
Notary Public

THOMAS G. SCHUELLER
Notary Public, State of New York
Certificate Filed in New York County
Commission Expires March 30, 1975

TELEPHONE 212/285-2000

CABLE ADDRESS-"WHITEWELD"

BOSTON
CHICAGO
ATLANTA
DALLAS
HARTFORD
LOS ANGELES
MINNEAPOLIS
NEW HAVEN
PHILADELPHIA
SAN FRANCISCO

WHITE, WELD & CO.
INCORPORATED
ONE LIBERTY PLAZA
01 LIBERTY STREET, NEW YORK, N.Y. 10006

LONDON
PARIS
ZURICH
CARACAS
GENEVA
HONG KONG
MONTEVIDEO
MONTREAL

PAUL HALLINGBY, JR.
PRESIDENT
285-2296

September 4, 1974

Mrs. Mary Wells Lawrence, Chairman
Wells, Rich, Greene, Inc.
767 Fifth Avenue
New York, New York 10022

Dear Mary:

We are writing to confirm our views with respect to a proposed exchange offer for all of the common shares of Wells, Rich, Greene not held by members of the board of directors. We believe that such an exchange offer could be highly successful if it were made for all shares and if no minimum response were stipulated. The latter feature is essential inasmuch as the arbitrage fraternity in the financial community typically will work especially hard to effect exchanges provided there is a firm, unconditional exchange offer to work against.

We believe the package offered in exchange per share of Wells, Rich, Greene common stock should include $3 in cash and $8 principal amount of 10% subordinated sinking fund debentures due around November 1, 1984. Interest would be payable semiannually in the normal fashion and restrictive covenants would be kept to a minimum, consistent with typical issues of straight subordinated debt. The debentures would be callable at par for life. We believe this package represents fair value for Wells, Rich, Greene shares in light of current stock market conditions, the lack of investor interest in Wells, Rich, Greene stock and stocks of advertising agencies in general, current interest rates and other relevant factors.

In the interest of maximizing the marketability of the subordinated debentures we urge that they have a combined purchase fund and sinking fund requiring the company to spend in cash each year over the life of the debentures 10% of the initial principal amount of the issue. Through this purchase fund and sinking fund the company would be required by each sinking fund date to have either purchased in the open market at a discount below par, or called by lot at the sinking fund at par, enough debentures to have required an outlay of 10% of the initial issue in cash. The company would have the right to double the purchase fund and sinking fund in any given year and such right would be cumulative.

Exhibit to the Little Affidavit

White, Weld & Co. Incorporated would be pleased to be dealer manager of a soliciting dealer group to seek exchanges upon effectiveness of a registration statement. We would advocate a fee for the dealer manager of 12 1/2¢ per share of stock exchanged, with a minimum fee for the dealer manager of $25,000. We advocate a soliciting dealer fee of 37 1/2¢ per share of stock bearing the name of the dealer who solicited the exchange, with no maximum in point of dollars payable for deposit by any given stockholder. As dealer manager, our firm would expect to be reimbursed for our out-of-pocket expenses including legal fees, printing, advertising, communications, etc. In connection with advertising, we would, of course, work closely with you on the program and its extent.

We look forward to working with you.

Sincerely,

Paul Hallingby, Jr.

PH:MP

Affidavit of Orville H. Schell, Sworn to November 22, 1974

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

ALBERT KAUFMANN, Plaintiff,	:	74 Civ. 5081 (RLC)
- against -	:	AFFIDAVIT
MARY WELLS LAWRENCE, et al., Defendants.	:	

STATE OF NEW YORK)
: ss.:
COUNTY OF NEW YORK)

ORVILLE H. SCHELL, being duly sworn, deposes and says:

1. I am a member of the firm of Hughes Hubbard & Reed, attorneys for defendant Wells, Rich, Greene, Inc. ("WRG"), and I make this affidavit in opposition to plaintiff's motion for a preliminary injunction. In particular, I wish to comment on plaintiff's reliance on a speech by A. A. Sommer, Jr., a member of the Securities and Exchange Commission, which is referred to in Mr. Nemser's affidavit.

2. I have been principal legal advisor to WRG since its formation in 1966, and my firm has represented WRG in connection with the Exchange Offer which is the subject of this litigation.

3. The Exchange Offer was publicly announced by WRG on September 4, 1974. Thereafter, on October 3, 1974 WRG filed with the Securities and Exchange Commission (SEC) a registration statement on Form S-1 describing the proposed transaction in detail. More than three weeks later, on October 25, 1974, the SEC

sent a letter of comments to 361a concerning the registration statement. Following receipt of the comments, WRG prepared an Amendment No. 1 to its registration statement and informally submitted it on October 30, 1974. After being notified by the SEC staff that it had no further comments, WRG formally filed the Amendment on November 1. The SEC declared the registration statement effective on November 4, 1974.

4. Ten days later, in the late afternoon of November 14, 1974, I learned through an inquiry from a Wall Street Journal reporter to WRG that Mr. Sommer had made the speech referred to in Mr. Nemser's affidavit. Promptly after learning of the speech, I telephoned Ray Garrett, Jr., Chairman of the SEC, and asked for an opportunity to meet with him. Subsequently, a meeting was arranged for Tuesday, November 19.

5. On November 19, my partner Thomas G. Schueller and I, together with John E. Tobin, Roger V. Pugh, Jr. and Roger W. Kapp, members of the firm of Donovan, Leisure, Newton & Irvine, counsel to White, Weld & Co. Incorporated, met with Mr. Garrett and Mr. Sommer at tne offices of the SEC.

6. At the outset, I stated our concern with the substance and timing of Mr. Sommer's speech. I pointed out that none of the matters raised in Mr. Sommer's speech had been mentioned to us by the SEC's staff. Mr. Sommer assured me that he had been speaking for himself and not for the Commission or its staff. I then asked Mr. Garrett for the Commission's position. Mr. Garrett replied that although he and other members of the Commission and its staff had been familiar with Mr. Sommer's views prior to his speech, the Commission has not taken any position on the matters addressed by Mr. Sommer.

WHEREFORE, WRG respectfully requests that plaintiff's motion for a preliminary injunction be denied in all respects.

Orville H. Schell

Sworn to before me this
22nd day of November, 1974.

Notary Public

THOMAS G. SCHUELLER
Notary Public, State of New York
Qualified in Nassau County
Commission Expires March 30, 1975

Affidavit of Stephen Haber, Sworn to November 21, 1974

SOUTHERN DISTRICT OF NEW YORK

ALBERT KAUFMANN,

Plaintiff,

-against-

MARY WELLS LAWRENCE, et al.,

Defendents,

74 Civ. 5081
(RLC)
AFFIDAVIT

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

Stephen Haber, being duly sworn, deposes and says:

1. I am Vice President of Sheriff Securities Corporation, whose principal office is at Suite 2415, 630 Fifth Avenue, New York, N. Y., and have responsibilities for the matters described herein.

2. Clients of our firm, which is a member of the New York Stock Exchange and a registered investment adviser with the Securities Exchange Commission, are the owners of 59,700 shares of the common stock of Wells, Rich, Greene, Inc. Sheriff Securities Corporation holds written discretionary power to issue instructions to tender such shares and under such power has issued instructions to tender such shares pursuant to the Exchange Offer to holders of common stock described in the Wells, Rich, Greene, Inc. Prospectus dated November 4, 1974.

3. I have read the complaint in this action and am familiar with its contents.

4. Sheriff Securities Corporation, pursuant to its discretionary authority, desires that its tender of shares of Wells, Rich, Greene, Inc., common stock on behalf of its clients be accepted in accordance with the terms of the Exchange Offer and is opposed to the granting of injunctive relief. In my opinion, our clients will suffer a substantial loss in value of their securities if the exchange is enjoined.

Stephen Haber

Sworn to before me this
21st day of November, 1974.

Rose H. Cassidy
Notary Public

ROSE H. CASSIDY
Notary Public, State of New York
No. 41-0210377
Qualified in Queens County
Commission Expires

Affidavit of L. Jay Tenenbaum, Sworn to
November 21, 1974

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

ALBERT KAUFMANN,
Plaintiff,
- against -

74 Civ. 5081
(RLC)
AFFIDAVIT.

MARY WELLS LAWRENCE, et al.,

STATE OF NEW YORK)
COUNTY OF NEW YORK) ss.:

L. JAY TENENBAUM, being duly sworn, deposes and says:

1. I am Partner of Goldman, Sachs & Co. and have responsibilities for the matters described herein.

2. Goldman, Sachs & Co., is the owner of 31,100 shares of the common stock of Wells, Rich, Greene, Inc., which it has an opportunity to tender purusuant to the Exchange Offer to holders of common stock described in the Wells, Rich, Greene, Inc., Prospectus dated November 4, 1974.

3. I have read the complaint in this action and am familiar with its contents.

4. Goldman, Sachs & Co., desires to tender its shares of Wells, Rich, Greene, Inc., common stock in accordance with the terms of the Exchange Offer and is opposed to the granting of injunctive relief.

State of New York
County of New York

Sworn to before me this 21st
day of November 1974.

Notary Public

Affidavit of Jack Nash, Sworn to November 21, 1974

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

ALBERT KAUFMANN,

Plaintiff,

-against-

MARY WELLS LAWRENCE, et. al.,

Defendants.

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74 Civ. 5081
(RLC)
AFFIDAVIT

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

JACK NASH, being duly sworn, deposes and says:

1. I am a Managing Partner of Oppenheimer & Co. and have responsibilities for the matters described herein.

2. Oppenheimer & Co. is the owner of 25,000 shares of the common stock of Wells, Rich, Greene, Inc. which it has an opportunity to tender pursuant to the Exchange Offer to holders of common stock described in the Wells, Rich, Greene, Inc. Prospectus dated November 4, 1974.

3. I have read the complaint in this action and am familiar with its contents.

4. Oppenheimer & Co. desires to tender its shares of Wells, Rich, Greene, Inc. common stock in accordance with the terms of the Exchange Offer and is opposed to the granting of injunctive relief.

Jack Nash

orn to before me this
st day of November 1974

Sally Groß
Notary Public

SALLY GROß
Notary Public, State of New York
Qualified in Westchester County
Commission Expires March 30, 1976

Affidavit of Walter Alpert, Sworn to November 21, 1974

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

ALBERT KAUFMANN,

Plaintiff,

- against-

MARY WELLS LAWRENCE, et al.,

Defendants,

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74 Civ. 5081
(RLC)
AFFIDAVIT

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

WALTER ALPERT, being duly sworn, deposes and says:

1. I am a Vice President of DREXEL BURNHAM & Co. Inc. and have responsibilities for the matters described herein.

2. DREXEL BURNHAM & CO. INC. is the owner of 36,000 shares of the common stock of Wells, Rich, Greene, Inc. which it is tendering pursuant to the Exchange Offer to holders of common stock described in the Wells, Rich, Greene, Inc. Prospectus dated November 4, 1974.

3. I have read the complaint in this action and am familiar with its contents.

4. DREXEL BURNHAM & CO., INC. desires that its tender of its shares of Wells, Rich, Greene, Inc. common stock be accepted in accordance with the terms of the Exchange offer.

Walter Alpert
Walter Alpert

Sworn to before me this
21 st day of November 1974

Bruce D. Tyler
Notary Public

BRUCE D. TYLER
Notary Public, State of New York
No. 52-8405030
Qualified in Queens County
Commission Expires March 30, 1976

Affidavit of Walter E. Sloane, Sworn to November 21, 1974

UNITED STATED DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

ALBERT KAUFMANN,

Plaintiff,

-against-

MARY WELLS LAWRENCE, et al.,

Defendants.

74 Civ. 5081
(RLC)

AFFIDAVIT
OF
WALTER E. SLOANE

STATE OF NEW YORK)
COUNTY OF NEW YORK) ss.:

WALTER E. SLOANE, being duly sworn, deposes and says:

1. I am a Senior Vice President and Director of Shields Model Roland Incorporated ("SMRI") and have responsibilities for the matters described herein.

2. SMRI is the owner of 119,375 shares of the common stock of Wells, Rich, Greene, Inc. of which it has tendered 105,600 shares pursuant to the Exchange Offer to holders of common stock described in the Wells, Rich, Greene, Inc. Prospectus dated November 4, 1974. SMRI will tender 1100 additional shares pursuant to the Exchange Offer no later than November 22, 1974. Moreover, the balance of 12,675 shares owned by SMRI will be tendered under a letter of guarantee no later than 5:00 P.M., November 25, 1974.

3. I have read the complaint in this action and am familiar with its contents.

4. SMRI desires that its tender of its shares of Wells, Rich, Greene, Inc. common stock be accepted in accordance with the terms of the Exchange Offer and is opposed to the granting of injunctive relief.

Sworn to before me this
21st day of November, 1974.

Notary Public

Notary Public, State of New York
No. 24-4504150
Qualified in Bronx County
Certificate Filed in New York County
Commission Expires March 30, 1975

WALTER E. SLOANE

Affidavit of Alan C. Greenberg, Sworn to November 20, 1974

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

ALBERT KAUFMANN,

Plaintiff,

-against-

MARY WELLS LAWRENCE, et al.,

Defendants,

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74 Civ. 5081
(RLC)
AFFIDAVIT

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

ALAN C. GREENBERG, being duly sworn, deposes and says:

1. I am a General Partner of Bear, Stearns & Co. and have responsibilities covering the matters described herein.

2. Bear, Stearns & Co. is the owner of 125,400 shares of the common stock of Wells, Rich, Greene, Inc. which it has an opportunity to tender pursuant to the Exchange Offer to holders of common stock described in the Wells, Rich, Greene, Inc. prospectus dated November 4, 1974.

3. I have read the complaint in this action and am familiar with its contents.

4. Bear, Stearns & Co. desires the opportunity to tender its shares of Wells, Rich, Greene, Inc. in accordance with the terms of the Exchange Offer and is opposed to the granting of injunctive relief in this case which would restrict or prevent the consummation of the Exchange Offer.

Alan C Greenberg

Sworn to before me this
20th day of November 1974

Notary Public

M. DAVID HYMAN
Notary Public, State of New York
No. 31-7027350
Qualified in New York County
Commission Expires March 30, 1975

Affidavit of Solomon Litt, Sworn to November 21, 1974

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

- - - - - - - - - - - - - - - - - - - -

ALBERT KAUFMANN,

Plaintiff,

-against-

MARY WELLS LAWRENCE, et al.,

Defendants,

- - - - - - - - - - - - - - - - - - - -

74 Civ. 5081
(RLC)
AFFIDAVIT

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

SOLOMON LITT, being duly sworn, deposes and says:

1. I am a General Partner of Asiel & Co. and have responsibilities for the matters described herein.

2. Asiel & Co. is the owner of 64,300 shares of the common stock of Wells, Rich, Greene, Inc. which it has an opportunity to tender pursuant to the Exchange Offer to holders of common stock described in the Wells, Rich, Greene, Inc. Prospectus dated November 4, 1974.

3. I have read the complaint in this action and am familiar with its contents.

4. Asiel & Co. desires to tender its shares of Wells, Rich, Greene, Inc. common stock in accordance with the terms of the Exchange Offer and is opposed to the granting of injunctive relief.

Sworn to before me this
21st day of November 1974

Solomon Litt

Notary Public

RICHARD M. KORTE
Notary Public, State of New York
No. 31-[illegible]
Qualified in New York County
Commission Expires March 30, 1975

Affidavit of Albert B. Cohen, Sworn to November 21, 1974

UNITED STATES DISTRICT COURT 378a
SOUTHERN DISTRICT OF NEW YORK

- -X

ALBERT KAUFMANN

Plaintiff

-against-

MARY WELLS LAWRENCE, et al

Defendants

74 Civ. 5081
(RLC)
AFFIDAVIT

- -X

STATE OF NEW YORK)
: ss.:
COUNTY OF NEW YORK)

ALBERT B. COHEN, being duly sworn, deposes and says:

I am a General Partner of Neuberger & Berman, and have responsibilities for the matters described herein.

Neuberger & Berman is the owner of 128,500 shares of the common stock of Wells, Rich, Greene, Inc., which it proposes to tender pursuant to the Exchange Offer to holders of common stock described in the Wells, Rich, Green, Inc. Prospectus dated November 4, 1974.

I have read the complaint in this action and am familiar with its contents.

Neuberger & Berman proposes to tender its shares of Wells, Rich, Green, Inc. in accordance with the terms of the Exchange Offer and is opposed to the granting of injunctive relief.

Albert B Cohen

Sworn to before me this
21st day of November, 1974

Notary Public

Affidavit of Ivan F. Boesky, Sworn to November 21, 1974

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

ALBERT KAUFMANN,

Plaintiff,

-against-

MARY WELLS LAWRENCE, et al.,

Defendants,

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74 Civ. 5081
(RLC)
AFFIDAVIT

STATE OF NEW YORK)
) s.s.:
COUNTY OF NEW YORK)

Ivan F. Boesky, being duly sworn, deposes and says:

1. I am Manager of the Department of Edwards & Hanly having responsibility for the matters described herein.

2. Edwards & Hanly is the owner of 20,200 shares of the common stock of Wells, Rich, Greene, Inc. which it has an opportunity to tender pursuant to the Exchange Offer to holders of common stock described in the Wells, Rich, Greene, Inc. Prospectus dated November 4, 1974.

3. I have read the complaint in this action and am familiar with its contents.

4. Edwards & Hanly desires to tender its shares of Wells, Rich, Greene, Inc. common stock in accordance with the terms of the Exchange Offer and is opposed to the granting of injunctive relief.

Sworn to before me this
_____ day of November 1974

Notary Public

PATRICIA G. NEER
Notary Public, State of New York
No. 31-4527133
Qualified in New York County
Commission Expires March 30, 1976

Edwards & Hanly

Affidavit of Steven N. Hutchinson, Sworn to November 23, 1974, with the Following Exhibits Attached:

Exhibit 1—Summary of *Kaufman* v. *Lawrence*, *et al.*

Exhibit 2—Wire from Paul W. Strunk to White Weld NYK

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

ALBERT KAUFMANN,	:	74 Civ. 5081
Plaintiff,	:	(RLC)
- against -	:	AFFIDAVIT IN OPPOSITION TO PLAINTIFF'S MOTION FOR PRELIMINARY INJUNCTION
MARY WELLS LAWRENCE, et al.,	:	
Defendants.	:	

STEVEN N. HUTCHINSON, being duly sworn, deposes and says:

1. I am Associate in the Corporate Finanace Department of White, Weld & Co. Incorporated ("White, Weld").

2. I have spoken by telephone to Gerald V. Weber, a General Partner of Trubee, Collins & Co., a securities brokerage firm located in Buffalo, New York on each of the last three days and have sent to Mr. Weber by telecopier the summary of the complaint in this action annexed hereto as Exhibit A.

3. Mr. Weber told me that he read the summary to the clients listed below and that those clients informed him that they intended to participate in the Exchange Offer and did not wish it to be enjoined:

Client	No. of shares
John Travers	2000
Harriet R. Simon	5000
Allen A. Gutekunst	5000
James Simpson as trustee of James Simpson Profit Sharing Plan, beneficial owner	2600
Harold H. Hoeffler	2200
Evelyn Oderkrick (spoke to husband)	3000

4. Mr. Weber further stated that on behalf of the following accounts as to which he had discretionary authority he intended to participate in the Exchange Offer and did not wish it to be enjoined:

Account	No. of Shares
Mary Ann Weber	1000
Mary Ann Weber, as cust. for Linda	300
Mary Ann Weber, as cust. for Katherine	300

5. Mr. Weber stated that he was willing to submit an affidavit testifying to the facts recited in paragraphs 2 through 4 hereof.

6. Today I telephoned Paul W. Strunk of Sunnyvale, California, who manages several securities accounts on a private basis, and who yesterday sent to White, Weld the wire annexed hereto as Exhibit B. During this call, the summary of the complaint annexed hereto as Exhibit A was read to Mr. Strunk.

7. Mr. Strunk told me that pursuant to his discretionary authority over his accounts, he had tendered more than 12,000 shares pursuant to the Exchange Offer, including the following amounts for the following accounts:

Account	No. of Shares
Emmons	3700
Graham	3300
Coburn	approx. 1200-1500
Bayha	approx. 1200-1500
Grimes	2300
Sunde	600

8. Mr. Strunk stated that all of the stock he tendered had been purchased considerably prior to the

announcement of the Exchange Offer and that he regarded the Exchange Offer as "fair and reasonable." He statd that he hoped that injunctive relief would not be granted.

9. Mr. Strunk stated that he would be willing to submit an affidavit testifying to the facts recited in paragraphs 6 through 8 hereof.

Steven N. Hutchinson

Sworn to before me this
23rd day of November, 1974

Notary Public

THOMAS [illegible] SCHUELLER
Notary Public, State of New York
[illegible]
Certificate Filed in New York County
Commission Expires March 30, 1975

WELLS, RICH, GREENE, INC.

Summary of Kaufmann v. Lawrence, et al.

A stockholder of Wells, Rich, Greene, Inc. (the "Company") commenced an action against the Company and its management on November 19, 1974 in the United States District Court for the Southern District of New York under Sections 10(b) and 14(e) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder, and under common law, seeking preliminary and permanent injunctive relief and damages with respect to the Company's Exchange Offer to holders of its Common Stock. A hearing on the motion for a preliminary injunction is scheduled for November 25, 1974.

The plaintiff, who seeks to maintain the case as a class action on behalf of stockholders, alleges in substance that the Exchange Offer is for an inadequate consideration, is for the benefit of officers and directors, is not based on proper business purposes and unlawfully forces stockholders to tender by depriving them of the public market for their shares.

The complaint further alleges that the Prospectus unlawfully fails to disclose the following facts, among others, which facts are alleged to be true: (i) from the inception of the Company on April 1, 1966 to October 31, 1968, the date of the Company's initial public offering, Mary Wells Lawrence, Chairman and Chief Executive Officer of the Company, purchased 301,000 shares of Common Stock at an average cost of 10¢ per share, and the other founders, directors, officers and stockholders of the Company purchased 1,450,600 shares of Common Stock at an average cost of 38¢ per share; the directors, officers and stockholders of the Company constituting the selling stockholders in the initial public offering sold 359,900 shares for an aggregate net price of $5,866,370 ($16.30 per share); the directors, officers and employees of the Company constituting the selling stockholders in the second public offering on April 19, 1971 sold 33,739 shares for an aggregate net price of $6,841,690 ($20.50 per share); (ii) no independent financial expert evaluated the Common Stock in connection with the Exchange Offer; (iii) the book value and fair value of the Common Stock is substantially higher than the value of

the consideration offered pursuant to the Exchange Offer; and (iv) Mrs. Lawrence purchased 30,500 shares of Common Stock in January, February and March 1974 (at prices ranging from $9.25 to $8.50 per share), two officers, one of whom is a director, purchased 400 shares in July 1974 and one officer purchased 1,000 shares on September 5, 1974. In support of the motion for a preliminary injunction, plaintiff has submitted an affidavit of Mr. Nathan Belfer, Vice President of Wood, Struthers, Winthrop, Inc. and of the De Vegh Mutual Fund, giving his opinions to the effect that; (1) the Company has an excellent record of sales and earnings; (2) earnings per share have risen steadily to the 1973 level of $2.04 per share; (3) the average price earnings ratio over the past five years has been 10.7; (4) the current price earnings ratio (average 6.5 in 1973) is unrealistic in view of the Company's past record and potential; and (5) the application of the average price earnings ratio to the 1973 earnings per share (or to the five year average earnings per share of $1.78) results in a price of approximately $20 which more accurately reflects the intrinsic value of the Common Stock.

It should be noted by Stockholders that to oppose this attempt to enjoin the consummation of the Exchange Offer may be deemed a waiver of their right to join in the lawsuit as a member of the class which the plaintiff claims to represent and to share in any amounts that may be awarded to plaintiff should his suit be successful.

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TENTION W BRIAN LITTLE

FERENCE OUR RECENT PHONE CONVERSATION REGARDIN G TENDER OFFER

F WELLS FICH GREENE COMMON STOCK. I HAVE ALREADY TENDERED

RE THAN 12,000 SHARES AND INTEND TO TENDER THE REMAINDER PRIOR

25 NOVEMBER 74. I FEEL THE TENDER OFFER IS FAIR AND REASONABLE

I DO NOT CONSIDER MYSELF A PART OF ANY CLASS ACTION SUIT

ICH MAYXX HAS BEEN INITIATED BY MR FALFMAN

AUL V STRINK 929 WEST HOMESTAD SUNNYVALE CA 94087

TF WELD NYK

TF WELD NYK

Exhibit B to the Hutchinson Affidavit

SERVICE OF THREE COPIES OF THE WITHIN
JOINT APPENDIX - PART I VOLUME I
IS HEREBY ADMITTED.

DATED: January 6, 1975

Hughes Hubbard & Reed by RFH

Attorneys for Defendants-Appellees